

KY DOI Presentation
Interim Joint Committee on Banking & Insurance
October 20, 2020

1. COVID-19 Guidance

- **Arrival of Coronavirus, 3 fold action plan**
 - Protecting consumers
 - Assessing business continuity operations of industry
 - Protecting DOI Staff and enabling remote work capabilities

- **Guidance Issued**
 - March 9, elimination of cost sharing for COVID-19 screening and testing of those privately insured
 - March 25, insurance is an essential service, US Department of Homeland Security and US Cyber Security and Infrastructure Security identify insurance as essential
 - Other types of insurance---personal coverage of automobiles used for commercial purposes
 - Collaboration with healthcare providers
 - Suspending pharmacy audits
 - Suspending pre-authorization requirements for hospital admissions
 - Facilitating the delivery of telehealth services
 - Locating and addressing medical malpractice insurance
 - Prepared for worse case scenarios
 - KHA and healthcare providers issues such as making beds available, suspending audits, addressing possible surprise billing problems for consumers

- **Actions Taken**
 - Worked closely with our sister states on steps they were taking that should be considered by Kentucky
 - All states were taking action, for example all states eliminated the cost sharing for testing
 - Constantly monitored the status of the coronavirus impact and took action as needed but judiciously. Main philosophy was to maintain as “normal” an insurance marketplace as possible.
 - Rather than issuing multiple orders we encourage insurance companies to work with policyholders on payment options, review premium levels as risk possibilities were decreased, allow mid-term adjustments to insurance policies

Insurance agents and insurance industry was responsive to our requests and to continuing to address the needs of our citizens.

2. Insurance Agent’s Role with the Exchange

- The Cabinet for Health and Family Services is the agency charged with implementing the state-based exchange.
- The Department of Insurance works collaboratively with CHFS to approve the policies and rates for products sold on the exchange.
- Both CHFS and the Department of Insurance encourage agents to participate with the exchange.

- The agent associations have been engaged in the discussions regarding updates to the exchange portals to ensure they are designed efficiently.

3. NCCI Loss Cost for 2021

- NCCI rates are used by majority of the workers compensation insurers
- Overall reduction of rates for 2021 by 8.4%
- Coal surface mining changes are increased by 2.9% while underground mining decreases by 2.6%
- Manufacturing classes decrease by 7.4%
- Contracting decrease 10.4%
- Office and clerical decrease 10.0%
- Goods and services decrease 9.2%
- Miscellaneous decrease 6.5%
- The data used to determine these rates was as of 12/31/2019 so COVID impact was not considered
- Unsure the potential impact COVID 19 will have going forward

4. National Accreditation

- Conducted virtually week of September 21-25. National accreditation team reviewed our financial analysis and financial examination work and interviewed all contractors and DOI staff.
- National accreditation team will recommend to our National Accreditation Committee full 5 year accreditation for KY DOI

