

Navigating the Coronavirus (A Special Report) --- Insurers' Policy Perks: Carriers provide aid to strapped consumers

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Many insurance companies are providing some needed assistance to consumers amid the coronavirus pandemic.

Offerings vary depending on the insurer and the state. Broadly, though, the combination of regulatory and industry-driven efforts includes extended grace periods for payments, flexible payment options, auto-policy premium refunds, increased reliance on online applications and digital signatures, extended time periods for medical exams and waivers of requirements for in-person exams.

Here are some of the efforts.

Grace periods and flexible payments

Many insurers have extended grace periods beyond the typical 30 days to prevent policy termination due to nonpayment, though the length of the extensions varies, depending on the carrier and the state.

Many insurers also are waiving premium late fees and offering flexible payment solutions, such as changing the frequency of payments, or interest-free payment deferrals for up to a year. In some cases, insurers are going beyond state requirements in the type or extent of the relief they are offering.

People who are having trouble making premium payments are advised to call their insurer, or agent, if applicable, to understand their options. The relief available may be different based on the policy, the product and the state. Consumers can often find basic information on an insurance company's website, but it's always best to call.

Premium refunds

Many insurers have issued partial refunds and discounts to drivers logging fewer miles during shelter-in-place orders, according to the American Property Casualty Insurance Association, a national trade association for insurers.

Some companies are on their second round of refunds. Earlier this month USAA announced a second round of auto-premium refunds, saying it would return an additional \$280 million to its auto-insurance policyholders, bringing the total to \$800 million returned. This new, additional credit will reflect 20% of a month's premium, and will be provided to all auto-insurance policyholders with policies in effect as of April 30, 2020, according to a company news release.

Digital push

Insurers have also accelerated their use of digital tools to accept new applications, underwrite and bill customers, and process claims, says Sean Kevelighan, chief executive of the Insurance Information Institute, which helps educate consumers on insurance-related issues.

And more insurers are allowing customers to take their own photos for auto claims and are using drones to assess property damage, Mr. Kevelighan says.

On the life-insurance side, traditionally a face-to-face business, many insurers are seeing the number of online applications shoot up, and the use of digital signatures also has increased.

Ameritas Life Insurance Corp. started accepting online applications last year, but the digital shift has accelerated, in part because of the pandemic. In December, 38% of new applications were made online; that figure climbed to 55% in March and 78% in April, says Ryan Beasley, executive vice president of Ameritas's individual division.

Some life insurers say they haven't raised prices during this time; however, other carriers are making pricing and product adjustments. It's possible potential buyers may be turned away or they may experience scaled-back policy sizes and reduced benefits as insurers adjust to the market environment. Additionally, applications could be delayed in certain cases, especially if applicants or their family members are traveling during the pandemic, or have contracted the virus. Insurers have different restrictions and underwriting guidelines, and some of these could have changed amid the pandemic, so be sure to shop around.

Some life-insurance carriers are also making it easier for certain customers to obtain a policy, generally without the hassle of an in-person medical exam, making use of electronic data such as medical records, motor-vehicle reports, a physician statement and prescription data. Minimizing face-to-face interaction is especially attractive amid the pandemic, says David Levenson, president and chief executive officer of Limra, Loma and their parent, LL Global, a not-for-profit industry association.

Northwestern Mutual Life Insurance Co. rolled out accelerated underwriting for life-insurance customers about two years ago and has seen usage pick up since the pandemic began, says John Grogan, executive vice president and chief product and innovation officer.

Ameritas, which had planned to roll out an expedited underwriting process to a subset of applicants in June, accelerated its timeline and is now offering the option to individual applicants between the ages of 18 and 60 seeking a maximum life-insurance benefit of \$1 million. The company intends to monitor the program and determine how it can be expanded to a broader market.

Prudential Financial Inc., which previously offered the service to qualified buyers on an opt-in basis, is more broadly waiving the medical exam, in many circumstances, for people under age 60 seeking less than \$3 million of coverage, says Salene Hitchcock-Gear, Prudential's president of individual life insurance. Pacific Life Insurance Co., meanwhile, expanded a pilot program and rolled it out more broadly to consumers between the ages of 18 and 60, for policy limits up to \$5 million, depending on the product, says Dawn Trautman, executive vice president and head of the company's life-insurance division.

Enhanced coverage options

Many insurers have said they will cover employees who use their cars for commercial deliveries such as food and medicine under their existing individual auto policies. Standard personal auto policies typically exclude such coverage.

Boston Mutual Life Insurance Co., which primarily works with agents and other third parties to provide workplace plans to employers, has been giving existing clients the opportunity to offer their employees additional life-insurance coverage or to process new applications, making exceptions to the normal enrollment period, says Paul Quaranto Jr., chief executive. Prudential has offered employers the option, at no extra cost, to extend coverage for up to 90 days for workers who leave their company, whatever the reason.

Identity theft and protection is another area where some insurers are extending coverage due to increased risks, as more workers conduct business from home.

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