

Insurers Offer Forward-Looking Solutions For COVID-19 Recovery



Auto insurers have voluntarily pledged over an estimated \$10 billion to customers in the form of refunds or premium discounts.

Immediate Customer Solutions

Insurers are offering payment relief and expanding coverage.

- Customers should contact their insurance professional or go to their insurer's website to see what options are available to them.
- Insurers are keeping their employees employed so as to serve their customers.



Facing the Challenge Head-On

The U.S.'s property/casualty (P/C) insurers are financially stable and ready to keep the promises made to its customers. The industry is, however, facing challenges.

- Some lawmakers want to void policy exclusions and pay out retroactively for non-existing coverages which would threaten the solvency of some insurers.
- Overall insurance claims will increase. Workers compensation insurers have exposure in healthcare, among first responders, and retailers who use delivery services.
- Insurer premium revenue will decrease. More unemployment, less manufacturing, and less economic activity overall will lead to a reduction in premiums.
- Insurer investment income will decrease. P/C insurer investments are largely in fixed income products yet their equity portfolios and the continued low interest rate environment will reduce insurer investment income, a key revenue source.
- Beyond the COVID-19 pandemic, insurers are preparing for more severe natural and man-made catastrophes – tornadoes, hurricanes, wildfires, cyber attacks. These covered catastrophes continue to increase in terms of overall loss costs.

Government-Backed Solutions

Insurers support the COVID-19 Business and Employee Continuity and Recovery Fund.

- Funded by the federal government and operated by a special federal administrator, the Recovery Fund would facilitate the distribution of federal funds and liquidity to impacted businesses during this time of incalculable business interruption.



Contributing to community development has always been a cornerstone of insurance, and this time of need is no exception. So far, millions of dollars have been funneled into communities through insurer charitable donations.



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