This year, the COVID-19 pandemic changed the world. Storefronts and restaurants were shuttered; jobs were lost; many became ill, and most companies had to quickly adjust to a new, remote working environment. The effects of the pandemic are pervasive, and will have a lasting impact on families, communities, businesses, and the country for years to come.

AAIS had established a remote workforce long before the pandemic began, so we were quickly able to adjust to COVID-19 working conditions without interruption. We also transitioned our Main Event from an on-the-ground conference to the Virtual Main Event (VME), a four day, first-of-its-kind digital news magazine. A record number of attendees enjoyed timely segments from esteemed industry leaders and prominent thought leaders, many who discussed the latest news from the pandemic.

Leading Through Change: Dr. JP Pawliw-Fry

International leadership expert Dr. JP Pawliw-Fry provided advice on being ‘the calm person in the boat’... controlling emotions and inspiring others to deliver results in the face of change. Dr. Pawliw-Fry described how Vietnamese refugees fled their home country after the Vietnam War in crowded boats on rough seas. Many refugees became sick and died...but in some boats, the rate of illness and death was much lower. When researchers studied the healthier boats, they noted that there was at least one calm person aboard...promoting a safe, positive atmosphere that became contagious.

Dr. Pawliw-Fry challenged industry executives to use their emotions to affect the feelings of their peers and teams. By understanding how to communicate tough messages, recognizing how to communicate under pressure and setting a calm example, leaders can not only survive, but thrive. See Dr. Pawliw-Fry’s full discussion here.

An Analyst’s Perspective: Dowling & Partners’ Gary Ransom

Dowling and Partners’ Gary Ransom spoke to AAIS CEO and President Ed Kelly during the Virtual Main Event. He suggested the COVID-19 pandemic could become the largest loss event in insurance history. Mr. Ransom said the industry could see up to $100 billion in losses – more than twice that of Hurricane Katrina in 2005. The impact is both immediate, with losses from event cancellations and short-term business interruption, and long-term, with widespread business interruption and workers’ compensation claims.

Mr. Ransom believes there are small pockets of unexpected good news for the industry. As more people stay home, auto accident claims are down significantly, triggering a return of premium for some personal auto policyholders.

The insurance industry will recover, but the pandemic impacts will change how the industry operates in the future. See Mr. Ransom’s full interview with Ed Kelly here.

NAIC CEO Mike Consedine Discusses Cooperation, Preparedness and Communication for Regulators During Pandemic Response

The COVID-19 pandemic proved what National Association of Insurance Commissioners CEO Mike Consedine already knew – the regulatory community is swift, nimble, and creative when dealing with an unprecedented emergency. Since the pandemic began, NAIC has coordinated state regulatory actions, provided pandemic resources to their Members, issued COVID-19 data calls, and participated in the development of post-pandemic consumer protection legislation.

Speaking with AAIS VP Robin Westcott, Mr. Consedine said the NAIC is monitoring the overall solvency of the insurance industry as the pandemic continues. The NAIC is also working closely with state and federal legislators to ensure the needs and rights of consumers are met, particularly with business recovery after pandemic-related closures. View Mr. Consedine’s full discussion with Ms. Westcott here.
NAMIC CEO Sees Insurance Industry Resilience in Pandemic Response

The COVID-19 pandemic has significantly challenged the insurance industry, but NAMIC CEO Chuck Chamness believes our adaptability, resilience, and focus on emerging technologies will help us emerge stronger than ever.

Speaking with AAIS CEO Ed Kelly, Mr. Chamness cited the number of immediate threats faced by the insurance industry as businesses grapple with the sudden onset of an economy-crippling pandemic. He noted the importance of data collection and analysis during the COVID-19 pandemic, saying the volume of data calls requiring a timely cooperative response highlights the need for emerging technologies enabling the secure sharing of data. Mr. Chamness believes it’s critical to use interconnected network platforms, like openIDLo, to quickly ingest in and analyze data so claims can be monitored and repetition can be avoided.

Despite these challenges, Mr. Chamness believes the industry will not only survive…but thrive...in our next chapter. View his complete discussion with Mr. Kelly here.

Greenberg Traurig’s Fred Karlinsky Looks at Insurance in a Post-COVID World

AAIS’s Nicole Milos spoke with Fred Karlinsky, Co-Chair Insurance Regulatory and Transactions Practice at Greenberg Traurig, about his views on the COVID-19 pandemic and the short- and long-term impacts the pandemic could have on the insurance industry.

Mr. Karlinsky said COVID-19 exposed a new and significant risk – coverage written specifically for business interruption due to a pandemic. While pre-COVID-19 business interruption policies specifically addressing pandemics did exist, many businesses opted not to invest in them. Mr. Karlinsky said he predicts more businesses will buy pandemic insurance, and more options for commercial pandemic coverage will be available to help businesses prepare for future risk. As these policies are developed, he believes there will be intense debate around policy language, including what constitutes pandemic-related damage to a business and the trigger for claim payouts.

Mr. Karlinsky believes the industry will aggressively prepare for future events like the pandemic, bringing new products, innovation, and creativity to solve the problems exposed during COVID-19. From new approaches to a remote workforce to adjusted workers compensation coverage, the industry will not be the same...but it will be stronger. View Mr. Karlinsky’s full interview here.

A.M. Best is Eying Workers Comp and Business Interruption as Pandemic Response Continues

The emergence of the COVID-19 pandemic was a serious blow to the economy...but for the insurance industry, one expert believes that recovery is on the way. A.M. Best Chief Rating Officer Stefan Holzberger discussed how COVID-19 will impact the markets with AAIS CEO Ed Kelly.

Mr. Holzberger said the full-year outlook for the industry is bleak, as the insurance industry has followed the rest of the economy into a downturn. Extreme market volatility has ensued since the pandemic began, with shifting valuations in asset classes including equity, commercial loans, and alternative assets.

Immediate losses have focused on specialty insurance classes, including travel and event coverage. Larger, more traditional P&C coverage classes like home, mortgage and auto may be impacted as the pandemic and the resulting economic uncertainty continues.

Workers’ compensation coverage will set the tone for many, as it’s unknown who will be classified as an ‘essential worker.’ View Mr. Holzberger’s complete discussion with Mr. Kelly here.