COVID-19 Town Hall II

Thursday, May 14, 2020

An Update Chat with President Phil Held on the Economic Impacts on Life Insurance and the Prospects for Re-Opening the NY Market
COVID-19 Town Hall

FIRST THINGS FIRST...JUST AS BEFORE

• HOPE YOU AND YOUR FAMILIES ARE HEALTHY AND SAFE

• HOPE YOUR ASSOCIATES ARE HEALTHY AND SAFE

• HOPE YOUR CLIENTS ARE HEALTHY AND SAFE
FIRST THINGS FIRST...

THANK YOU FOR **CONTINUING** TO TAKE CARE OF YOUR CLIENTS, YOUR EMPLOYEES AND YOUR COMMUNITIES DURING THIS STRESSFUL TIME BY MAINTAINING FOCUS, COMPOSURE, AND A RELENTLESSLY POSITIVE OUTLOOK ON OUR INDUSTRY, ECONOMY, AND STATE.
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• This Town Hall was deliberately scheduled to coincide with the phased re-opening of the State’s economy.

• Insurance was benefitted by the designation as an “ESSENTIAL SERVICE.” NAIFA-NYS went to bat to make sure this was clear (which it wasn’t at first).

• But the rest of the market is now coming around, so we want to see what it will mean for our industry and our clients.
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• NAIFA-NYS

  • Has held meetings with the Governor’s Office and DFS on a range of COVID-19 issues, including some new ones about the time frames for some of the regulations and orders concerning the 90-day forbearance from premium payments.

  • Officers and Board have met to stay apprised of developments.

  • NAIFA-NYS staff has regularly been updating the COVID-19 Resource Center located at naifanys.org.
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• NAIFA-NYS

  • Continues to participate in industry-wide coordinating committee meetings—Big I, PIA, Health Underwriters, LICONY and NYIA—to discuss issues of mutual concern and address issues with DFS

  • Areas of concern: licensing and license examinations; notice to clients; re-opening of economy; expiration and continuation of executive orders and regulations
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• NAIFA-NYS

  • NAIFA-NYS COVID-19 Resource Center
    • Web-based central location for reams of information concerning the coronavirus crisis generally, its impact on the profession and the economy, including practice tips for handling the impact of the crisis, and full depository of legal and regulatory actions taken that impact you, your clients, and your markets
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• What Everyone Wants to Know...

WHEN WILL THE ECONOMY AROUND THE STATE RE-OPEN,

AND WHAT WILL IT MEAN FOR LIFE INSURANCE AND FINANCIAL ADVISORS?
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• NY PAUSE Switched to Un-PAUSE

  • Several regions have qualified with all seven of the criteria for re-opening.

  • LI and NYC expected over next few weeks, but LI is further ahead than people expected.

  • THIS IS EXPECTED TO BE A ROUTINELY MONITORED PROCESS WITH POSSIBILITY OF REGIONS COMING INTO OR FALLING OUT OF QUALIFICATION FOR REMAINING OPEN.
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WHAT DO OUR MEMBERS EXPECT WILL OCCUR WITHIN THEIR REGIONS WHEN THEY ARE ALLOWED TO RE-OPEN?
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• Member Survey Part 2

• Survey sent out several weeks ago was directed to gain an update on member sentiment during this crisis.

• Overall, the profession has maintained a large measure of stability in a highly unstable economy.

• Survey provided a window into ongoing and lingering concerns, uncertainties, and shifting perspectives.
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• Survey Results

• Federal Assistance Programs: Largely split down the middle, half of the respondents each sought or did not and do not intend to apply for a Paycheck Protection Program grant; 2/3 of respondents did not plan to apply for an Economic Injury Disaster Loan.

• These responses indicate a strong economic foundation in the life agent and advisor profession, something we respect but do not take for granted. Re-opening may be occurring at just the right time.

Paycheck Protection Program
The federal CARES Act established the PPP to provide forgivable loans to small businesses that use the funding to keep employees on the payroll at least until June 30. Have you or has your firm applied for a PPP loan?
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• Survey Results

  • The economic resilience of the profession was further illustrated by the overwhelming response from members (more than 2/3 of all respondents) that agencies had not and will not be downsizing or furloughing employees.

  • Only 12% of respondents indicated some action on downsizing, with another 20% unsure if such actions will need to be taken.
The bottom line to the federal programs, current and those to come, is that there is still substantial amounts of money available, but the shifting sands of the rules around them, the number of moving parts and parties involved in the application process, and the politics surrounding these programs have diluted the enthusiasm for applying.

If your business could use some of this support, you should still strongly consider applying.
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• Survey Results

  • On the 90-day premium deferral notice issue, there was substantial familiarization with the regulation and substantial compliance via e-mail, which we were able to secure from the DFS.

  • There was also substantial contact between carriers and agents.

  • Of concern, there were some communications between carriers and agents wherein companies indicated that agents did not need to comply with the notice if the companies provided same—THIS IS STILL NOT THE CASE.
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• Survey Results

• An issue that has arisen through the notice requirement and confirmed through the survey is that concerning contact information for clients in the possession of agents.

• Approximately 3/4 of respondents indicated that they have no information for at least some of their insureds, notably many coming from books of business that have been transferred to them.

• Only 22% of respondents indicated that they have contact information for all clients.
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• Survey Results

• Significant discussions have been held within NAIFA-NYS on this issue since it first emerged.

• A number of causes, including carrier redirection of client contacts, have been identified as leading to this issue.

• It is the association’s position that all agents should have, and be provided, contact information for all clients.
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• Survey Results

  • As for the larger economy, there was substantial concern for the likelihood that the country is slipping into recession.

  • Nearly one-third of respondents indicated that they expect the economy in their respective regions to re-open as early as tomorrow, while a whole additional third were unsure.

  • According to the Governor’s phased-in approach, the re-openings will occur on various dates depending on industry and seven criteria.
### Regional COVID-19 Metrics: Where Regions Currently Stand

#### Metrics Met

<table>
<thead>
<tr>
<th>Region</th>
<th>14-Day Decline in net Hospitalizations OR Under 15 new (3-day avg)</th>
<th>14-Day Decline in Hospital Deaths OR Fewer than 5 deaths (3-day avg)</th>
<th>New Hospitalizations Under 2 per 100K residents - 3 day rolling avg</th>
<th>Share of total beds available (threshold of 30%)</th>
<th>Share of ICU beds available (threshold of 30%)</th>
<th>30 per 10K residents tested monthly (7-day avg of new tests per day)</th>
<th>Contact tracers 30 per 100K residents OR based on infection rate</th>
<th>Metrics Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Region</td>
<td>1/4</td>
<td>1/6</td>
<td>✅</td>
<td>1.159 / 1.085</td>
<td>49%</td>
<td>✫</td>
<td>Expected</td>
<td>6/7</td>
</tr>
<tr>
<td>Central New York</td>
<td>0/6</td>
<td>3/3</td>
<td>✅</td>
<td>670 / 775</td>
<td>57%</td>
<td>✫</td>
<td>Yes</td>
<td>6/7</td>
</tr>
<tr>
<td>Finger Lakes</td>
<td>0/11</td>
<td>3/4</td>
<td>✅</td>
<td>1,402 / 1,203</td>
<td>55%</td>
<td>✫</td>
<td>Yes</td>
<td>7/7</td>
</tr>
<tr>
<td>Long Island</td>
<td>30/425</td>
<td>2/99</td>
<td>✅</td>
<td>4,334 / 2,839</td>
<td>33%</td>
<td>✫</td>
<td>Expected</td>
<td>5/7</td>
</tr>
<tr>
<td>Mid-Hudson</td>
<td>28/132</td>
<td>2/69</td>
<td>✅</td>
<td>3,857 / 2,322</td>
<td>46%</td>
<td>✫</td>
<td>Expected</td>
<td>5/7</td>
</tr>
<tr>
<td>Mohawk Valley</td>
<td>0/4</td>
<td>1/2</td>
<td>✅</td>
<td>409 / 405</td>
<td>64%</td>
<td>✫</td>
<td>Yes</td>
<td>7/7</td>
</tr>
<tr>
<td>New York City</td>
<td>29/820</td>
<td>28/502</td>
<td>✅</td>
<td>13,283 / 8,399</td>
<td>24%</td>
<td>✫</td>
<td>Expected</td>
<td>4/7</td>
</tr>
<tr>
<td>North Country</td>
<td>18/3</td>
<td>6/1</td>
<td>✅</td>
<td>414 / 419</td>
<td>54%</td>
<td>✫</td>
<td>Yes</td>
<td>6/7</td>
</tr>
<tr>
<td>Southern Tier</td>
<td>3/5</td>
<td>0/2</td>
<td>✅</td>
<td>886 / 633</td>
<td>45%</td>
<td>✫</td>
<td>Yes</td>
<td>7/7</td>
</tr>
<tr>
<td>Western New York</td>
<td>0/28</td>
<td>3/9</td>
<td>✅</td>
<td>1,419 / 1,381</td>
<td>53%</td>
<td>✫</td>
<td>Expected</td>
<td>5/7</td>
</tr>
</tbody>
</table>

- 14-day decline in net hospitalizations OR under 15 new hospitalizations (3-day avg)
- 14-day decline in hospital deaths OR fewer than 5 deaths (3-day avg)
- New hospitalizations: under 2 per 100K residents (3-day rolling avg)
- Share of total beds available (30% threshold)
- Share of ICU beds available (30% threshold)
- 30 per 1K residents tested monthly (7-day avg of new tests/day)
- Contact tracers: 30 per 100K residents OR based on infection rate
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• Survey Results

• NAIFA-NYS is gratified to see its members appreciate the services provided: almost half of all respondents said they appreciated the information and education provided, while almost half said they value the advocacy and lobbying that the association does on the profession’s behalf.

• Of concern was the response to the question regarding the LACP: almost 3/4 of respondents indicated that they were not planning on pursuing the LACP designation during this period.
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• Going Forward

  • NAIFA-NYS will continue to monitor issues arising out of the COVID-19 crisis, especially as we endeavor to come out of the NY PAUSE.

  • NAIFA-NYS will continue to post information to the COVID-19 Resource Center.

  • NAIFA-NYS will continue with another survey/town hall, focusing next time on practice issues, company relations, and market dynamics.
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• DAILY WORK CONTINUES...

  • An excellent time to think about membership for your teams
    • www.belong.naifa.org/why-join

  • An excellent time to think about issues in the market

  • An excellent time to think about charitable giving through life insurance to the association
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• HELPFUL LINKS

• NAIFA-NYS COVID-19 Resource Center – www.naifanys.org

• DFS Coronavirus Information for Industry & Regulated Entities – dfs.ny.gov/industry/coronavirus

• NAIFA COVID-19 Resources Pages – members.naifa.org/covid-19-member-resources security.naifa.org/scams

• Governor’s Executive Orders Related to COVID-19 – governor.ny.gov/executiveorders
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• HOW TO REACH US REMOTELY

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