



COMMONWEALTH OF MASSACHUSETTS

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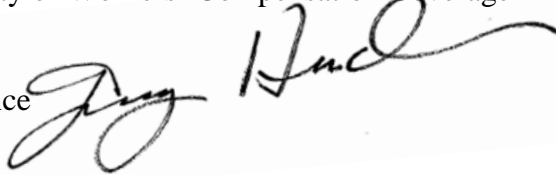
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COMMISSIONER OF INSURANCE

BULLETIN 2020-33

To: All Insurance Carriers Issuing Liquor Liability or Workers' Compensation Coverage in Massachusetts

From: Gary D. Anderson, Commissioner of Insurance 

Date: December 29, 2020

Re: Flexibility in the Issuance and Administration of Liquor Liability and Workers' Compensation Insurance during the COVID-19 Public Health Crisis

The Division of Insurance ("Division") issues this Bulletin 2020-33 to provide information to Insurance Carriers ("Carriers") offering liquor liability or workers' compensation insurance about the Division's expectations regarding the insurance-related provisions of COVID-19 Order No. 53, issued by Governor Baker on November 2, 2020.

Background

As stated in earlier Bulletins, the public health and societal effects resulting from the spread of COVID-19 has dramatically impacted the Commonwealth. It continues to be essential that government and business leaders take all appropriate steps to safeguard the well-being of the Commonwealth's citizens. Insurance coverage plays a critical role in the stability of the Commonwealth's economy and the protection of its residents. COVID-19 imposes unique risks to our insurance market. Since Governor Baker declared a state of emergency within the Commonwealth in March 2020, the Division has expected Carriers to take all necessary steps to preserve individual and employer access to insurance coverage.

Issuance and Administration of Insurance for Certain Establishments

As a part of the COVID-19 response, in an effort to protect the health and safety of individuals in the Commonwealth and to limit the spread of the disease, restrictions have been placed on the operations of establishments holding licenses under M.G.L. c. 138, §12 for the service and sale of alcohol ("Liquor Licensees"). Many of these Liquor Licensees have elected to remain closed to the

public during the state of emergency. Governor Baker's "Order Requiring Early Closing for Certain Businesses and Activities, Limiting Hours for Alcohol and Adult Use Cannabis Sales, and Modifying Chapter 138 License Renewal Requirements (COVID-19 Order No. 53)" provides certain allowances for Liquor Licensees in the Commonwealth that remain closed to the public during the state of emergency. Within COVID-19 Order No. 53, it is noted that for those Liquor Licensees that have remained closed, they will not be required to submit proof of having liquor liability coverage nor of workers' compensation coverage as a condition to renew their license under M.G.L. c. 138, §12. However, whenever the Liquor Licensees decide to re-open, they will be required to submit appropriate proof to the appropriate licensing authority of both a liquor liability and workers' compensation policy.

It is further noted in COVID-19 Order No. 53 that "no insurer, broker, agent, or their representative shall impose or collect any surcharge penalty, fee or other charge in addition to the premium" for any liquor liability or workers' compensation coverage obtained pursuant to the allowances outlined in COVID-19 Order No. 53. Agent commissions applied as part of the usual and reasonable course of business constitute a component of the premium and thus do not fall within the category of fees or other charges that are impermissible under COVID-19 Order No. 53. Any violations of COVID-19 Order No. 53 will be subject to review by the Division's Special Investigations Unit.

If you have any questions about this Bulletin, please contact Matthew Mancini, Director of the State Rating Bureau at matthew.mancini@mass.gov, or Kevin Beagan, Deputy Commissioner, at kevin.beagan@mass.gov.