

## COVID-19 UPDATE: March 31, 2020

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Dear Members of the Board:

On March 13, 2020 I ordered the closure of MSF the following Monday, March 16, 2020 in order to allow our executive team to initiate COVID-19 pandemic plans including social distancing and remote work implementation. On Tuesday, March 14 approximately 50% of MSF staff began working from home. We immediately began twice a day disinfecting of common areas within the facility. In addition, we began distributing to all of our employees a Virtual Private Network (VPN) license in order to facilitate all staff to work remotely in the event it became necessary. By Monday, March 23, in excess of 90 - 95% of MSF staff have been working remotely.

MSF IT staff began supporting VPN access and acquisition of an emergency supply of laptops for issuance to staff needing equipment in order to work from home. We acquired 57 laptops from local vendors to supply to staff needing equipment. In addition, we obtained 40 “jet packs” to enable internet connectivity via cellular network and 35 “flip” phones for individuals to use for business-related calls. Our broadband (internet pipeline) was expanded from 5 GB to 10GB by the end of last week, and multiple user licenses for our telephone systems went from 50 to 80 simultaneous connections.

In short, our IT Help Desk team and other technical support performed in an exemplary manner in ramping up and supporting management’s remote work directive.

Unfortunately, we learned late last Friday that one employee developed classic COVID-19 symptoms on Tuesday, March 24. He had not been in the office except for ½ day on the 23<sup>rd</sup>. This individual tested positive for COVID-19 and has since been quarantined and monitored by the Lewis and Clark County Health Department. We believe this individual had minimal contact with the few other employees that remained on premises that week. Nonetheless, I instructed the entire building be disinfected which occurred over the weekend. This process was very thorough and our facilities team did a great job coordinating the whole activity.

## What We’re Doing for Injured Workers

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Early in the week of March 16<sup>th</sup> we implemented a number of claim management changes to support injured workers that may be impacted by the pandemic. The following priorities were established:

- Benefit payments
- Medical bill payments
- Prescription approvals & payments
- Phone/e-mail
- New claims

We have begun tracking any claims for COVID-19 exposures. To date we have received 4 claims. Montana laws require that an “occupational disease” such as coronavirus be more likely than not caused by workplace exposure. The difficulty with such claims is identifying a sufficient cause within the work setting versus exposure to the general population (i.e. community spreading). Each claim will be evaluated on its merits for compensability. We have put together a list of Q & A to advise examiners in the event they receive a claim for COVID-19. A small team of examiners have been established to handle these claims.

MSF fully expects increased difficulty for injured workers to receive timely medical treatment and/or return to work due to closure/prioritization of medical provider services. Therefore, MSF has encouraged and provided billing advice to providers for “telemedicine” visits that avoid direct exposure of the patient and provider. We anticipate this practice may at least mitigate expected delays in treatment.

We have suspended the requirement for claim’s examiners to obtain a recorded statement on all indemnity, CAT claim, heart attack/stroke, and other routine types of claims, and only obtain recorded statements if there is a liability question. This allows claim examiners to focus on facilitating prompt medical treatment. The operations support claim team have been given the examiner role in our claim system so they can help backup any of the examiners as needed.

The “early fill” edit has been removed so injured workers can get their refills sooner, if needed. First fill will now be allowed for 15 days rather than 7 and MSF will pay for shipping for local pharmacies to use mail order for delivery.

I should also note MSF gave 1000 N-95 masks we have on hand to DPHHS for distribution to statewide health providers.

## **What We’re Doing For Policyholders**

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Of course, the impact of the COVID-19 pandemic will extend to the statewide economy and MSF fully expects to experience reduced payrolls, policy cancellations, and premium declines. While the impact is impossible to quantify, we have engaged in internal discussions that have assumed certain levels of premium impact and I am confident we can manage through this crisis by leveraging MSF’s equity and cashflow. In many ways, we want to “flatten the curve” of economic displacement for our customers without impairing MSF’s overall financial health.

In order to grant immediate relief to customers, on March 18<sup>th</sup> we implemented a “no cancellation” policy for all MSF customers for the next 30 days (extended as necessary) so no one has to worry they will lose workers’ compensation coverage as they make business decisions. A letter is being finalized for the policy holders that are impacted to explain what we are doing but must be approved by the Insurance Commissioner. In fact, the Insurance Commissioner has encouraged insurers to work with customers to mitigate economic disruption.

With board of director concurrence, we have also implemented the following temporary processes:

- 1) A three (3) month “deferral” of **all** premium payments for policyholders. This will work in conjunction with the “no cancellation” policy for this period of time.
- 2) Upon deferral maturity, MSF will liberally grant premium payment installment schedules for customers needing additional time to make payment.

**NOTE: This has not yet been publicly announced and we expect to do so by the end of this week.**

I believe these measures, and perhaps others, can assist Montana’s small businesses in weathering the outbreak and, hopefully, keep Montanan’s working while also ensuring MSF weathers the storm.

Of course, should you have any questions please feel free to give me a call or e-mail me.

Regards,

Laurence A. Hubbard  
President/CEO