



April 10, 2020

Dear Valued Insurance Client,

We hope that this message finds you and your family safe and healthy.

The New York Legislature and Department of Financial Services (DFS) have been implementing emergency measures to protect insurance policyholders who have been hit with financial hardship because of the COVID-19 pandemic. Regulations they enacted include grace periods and other rights under your life insurance or annuity contract as well as certain property/casualty insurance policies if you are an individual or small business and can demonstrate financial hardship as a result of the COVID-19 pandemic. These grace periods and rights are currently in effect but are temporary, though they may be extended further. Please check the DFS website at <https://www.dfs.ny.gov/consumers/coronavirus> for updates.

If you are an individual, personal property/casualty insurance policies including auto, homeowners' and renters' insurance, life insurance policies and annuity contracts are covered by these amendments.

If you are a small business, only certain types of commercial property/casualty insurance policies are covered by these amendments, generally including property, fire, commercial general liability, special multiperil or package policies, medical malpractice, workers' compensation, commercial auto (including livery and other for-hire vehicles), and commercial umbrella insurance.

A business qualifies as a "small business" if it is a resident in New York State, is independently owned and operated, and employs 100 or fewer individuals.

These emergency regulations do not apply to Commercial Excess and Surplus lines policies.

A copy of the Executive Order and regulations can be found at <https://www.governor.ny.gov/news/no-20213-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency> and <https://www.dfs.ny.gov/system/files/documents/2020/03/re consolidated amend pt 405 27a 27c new 216 text.pdf>, respectively.

**Moratorium on Cancellation, Non-Renewal, and Conditional Renewal**

If you are an affected policyholder, there is a moratorium on your insurer cancelling, non-renewing, or conditionally renewing your property/casualty insurance policy for a period of 60 days. If you do not make a timely premium payment and can demonstrate financial hardship as a result of the COVID-19 pandemic, your insurer may not impose any late fees relating to the premium payment or report you to a credit reporting agency or a debt collection agency regarding such premium payment.



### **Catching up on Overdue Insurance Payments**

The regulations also require your insurer to permit you, as an affected policyholder, to pay the overdue premium over a 12-month period if you did not make a timely premium payment due to financial hardship as a result of the COVID-19 pandemic and can still demonstrate financial hardship as a result of the COVID-19 pandemic. This also applies if the insurer sent you a nonpayment cancellation notice prior to March 29, 2020.

### **Policies Financed by Premium Finance Agencies – Grace Period**

If your insurance policy has been financed through a premium finance agency, and you, as an affected policyholder, do not make an installment payment, the premium finance agency may not cancel your policy for a period of at least 60 days, including any contractual grace period, and subject to the safety and soundness of the premium finance agency. In addition, if you do not make a timely installment payment to the premium finance agency, the premium finance agency must extend the due date for the installment payment by at least 60 days, may not impose any late fees relating to that installment payment, and may not report you to a credit reporting agency or a debt collection agency regarding that installment payment.

### **Catching up on Overdue Payments to Premium Finance Agencies**

If you, as an affected policyholder, do not make a timely installment payment to the premium finance agency due to financial hardship as a result of the COVID-19 pandemic, the premium finance agency must permit you to pay the installment payment over a 12-month period if you can still demonstrate financial hardship as a result of the COVID-19 pandemic, subject to the safety and soundness of the premium finance agency. This also applies if the premium finance agency issued a non-payment cancellation notice prior to March 29, 2020.

### **How to Demonstrate Financial Hardship**

If you, as an affected policyholder, are unable to make a timely premium payment due to financial hardship as a result of the COVID-19 pandemic, you may submit a statement that you swear or affirm in writing under penalty of perjury that you are experiencing financial hardship as a result of the COVID-19 pandemic, which the insurer or premium finance agency shall accept as satisfactory proof. Such statement is not required to be notarized.

We are here to help you through this difficult time. Please contact us if you need assistance with these temporary premium payment rules or any other issues.

Sincerely,

Everyone from AssuredPartners Northeast, LLC