



April 10, 2020

Notice: New York State Executive Order Limits Policy Cancellations, Extends Hardship Payment Terms for 12 Months

An executive order issued by Governor Cuomo, along with recent amendments to insurance regulations, gives individuals and small businesses that are experiencing financial hardship because of the coronavirus pandemic additional rights under their property and casualty insurance policies and extends grace periods for late payments.

A summary of the new rights afforded to policy holders is below. Please contact us if you are uncertain if your policy is covered.

For Individuals

Personal lines property/casualty insurance policies are covered by these amendments, including auto, homeowners' and renters' insurance.

For Small Businesses

Many types of commercial lines property/casualty insurance policies are covered by these amendments, including property, commercial general liability, business owners, workers' compensation, commercial auto, and commercial umbrella insurance.

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

Moratorium on Cancellation, Non-Renewal, and Conditional Renewal

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 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 (We generally use First Insurance Funding as our financing source), 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.

- may not impose any late fees relating to installment payments, while extending the due date for installments by at least 60 day, and
- May not report you to a credit reporting agency or a debt collection agency regarding that installment payment.

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

Catching up on Overdue Payments to Premium Finance Agencies

If you do not make a timely installment payment to the premium finance agency because of 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 because 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

You may submit to your insurer or premium finance agency, as applicable, a statement that you swear or affirm in writing under penalty of perjury that you are experiencing financial hardship because of the COVID-19 pandemic, which the insurer or premium finance agency shall accept as satisfactory proof. This statement is not required to be notarized.

Your insurer will answer questions about any cancellation, non-renewal, late payment, late fee, or financial hardship documentation addressed by the Executive Order. You may contact us if your questions are not adequately addressed by the insurance company.

Some of our customers purchase insurance policies through multiple insurers. We can furnish you with policy and contact information for any of your insurance policies.

Additional References

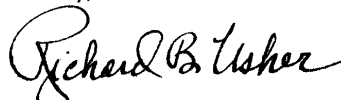
Please contact us, if you have questions regarding your rights under the Executive Order or regulations.

Please check the Department's website at <https://www.dfs.ny.gov/consumers/coronavirus> for updates.

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](https://www.dfs.ny.gov/system/files/documents/2020/03/re_consolidated_amend_pt_405_27a_27c_new_216_text.pdf), respectively.

We understand that residents of New York have experienced painful and severe impacts of the virus. Our thoughts are with you and your family.

Sincerely,



Richard B Usher