

The following notice is from the New York Department of Financial Services, and by executive order must be distributed to buyers of insurance:

A recent Executive Order issued by Governor Cuomo and the New York State Department of Financial Services, extends grace periods and gives other rights under certain property/casualty insurance policies for some small business or individuals who can demonstrate they cannot make a timely premium payment as a result of a financial hardship from the Coronavirus (“COVID19”) pandemic. These grace periods and rights are temporary and have several restrictions.

### **Eligibility**

This is only available to a “small business” (A “small business” is resident in New York State, is independently owned and operated, and employs 100 or fewer individuals). Only certain types of commercial lines property/casualty insurance policies are covered by these amendments, generally including property, fire, commercial general liability, special multi-peril, medical malpractice, workers ’compensation, commercial auto, and commercial umbrella insurance. This does not apply to excess line commercial lines policyholders.

If you are an individual, generally, personal lines property/casualty insurance policies are covered by these amendments, including auto, homeowners ’and renters ’insurance.

### **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, 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 must 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 as a result of the COVID-19 pandemic**, which the insurer or premium finance agency, as applicable, shall accept as satisfactory proof. Such statement is not required to be notarized.

**Take away:**

If you are an individual or small business in New York you are entitled to premium deferral under the order, if you demonstrate financial hardship as per the above.

If you are an individual or small business in New Jersey you are entitled to premium deferral under an order issued by the governor on April 10, 2020. Guidance about the execution of this order has not yet been published.

If you are domiciled in a state other than New York or New Jersey, your insurer may grant you a premium deferral. Governors in 40 states have issued orders suggesting but not mandating deferrals.

**Who Do You Call?**

If you receive your premium bills directly from an insurance company or premium finance company the fastest and most efficient way to have your premium deferral granted is by calling them directly at the number on your bill. They will be able to set up your new pay plan over the phone and will accept the hardship attestation in the form of an email directly from you. Please have your policy information or invoice available when you call.

**Remember, this is not a reduction or forgiveness of premium, it is only a deferral of payment in certain hardship situations.**

**Useful Links if you are an individual or family with Personal insurance -**

- **Executive Order:**<https://www.governor.ny.gov/news/no-20213-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency>
- **NY Department of Financial Services response:**<https://www.dfs.ny.gov/consumers/coronavirus>
- **Regulations:**[https://www.dfs.ny.gov/system/files/documents/2020/03/re\\_co\\_nsolidated\\_amend\\_pt\\_405\\_27a\\_27c\\_new\\_216\\_text.pdf](https://www.dfs.ny.gov/system/files/documents/2020/03/re_co_nsolidated_amend_pt_405_27a_27c_new_216_text.pdf)