

## **A Special Notice to New York Policyholders**

Dear Policyholder,

A recent Executive Order issued by Governor Cuomo, together with recent amendments to the insurance and banking regulations (the “regulations”) issued by the New York State Department of Financial Services (“Department”), extended grace periods for premium payments and gives you certain rights with respect to your insurance policy. These rights apply if you are an individual or small business and can demonstrate financial hardship as a result of the novel coronavirus (“COVID-19”) pandemic (“Affected Policyholder”). A small business is defined as being an independently owned and operated business residing in New York that employs 100 or fewer individuals. These grace periods and rights are currently in effect but are temporary.

We are providing this summary in an effort to assist you in understanding the provisions that may be helpful to you if you are experiencing financial hardship as a result of the COVID-19 pandemic.

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

If you are an Affected Policyholder, there is a moratorium on us cancelling, non-renewing, or conditionally renewing your 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, we may not report you to a credit reporting agency or a debt collection agency regarding such premium payment nor may we collect late fees or penalties.

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

The regulations also require us to permit Affected Policyholders 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 you are an Affected Policyholder and we 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 are an Affected Policyholder who does 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 are an Affected Policyholder and 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 are an Affected Policyholder and 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 are an Affected Policyholder, and are unable to make a timely premium payment due to financial hardship as a result of the COVID-19 pandemic, you may submit to us the following statement: *I swear under penalty of perjury that I (or my business) is experiencing financial difficulties as a result of the COVID-19 pandemic and am requesting relief pursuant to 11 NYCRR 229.* If you do not meet the definition of individual or small business as noted above, you do not qualify to request a deferral due to a financial hardship. If you have any questions on whether or not you qualify, please contact your agent.

**Questions**

If you have any questions regarding your rights under the Executive Order or regulations, please contact your agent.

A copy of Executive Order 202.13 can be found at: <https://www.governor.ny.gov/news/no-20213-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency>.

A copy Department of Financial Services regulation can be found at: [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).

For further information on our response to the COVID-19 pandemic, please see our website at: <https://www.rlicorp.com/covid-19>.

We hope that you and your family remain healthy and safe.

The RLI (CBIC) (Mt. Hawley) Team