

Dear Policyholder,

Thank you for placing your insurance with RLI/CBIC/Mt. Hawley. We know you have many choices when it comes to insurance and we appreciate your business.

On April 9, 2020, Governor Phil Murphy's Executive Order 123 ("EO 123"), directed insurers to refrain from cancelling any policy or contract for nonpayment of premium for a period of time, to exercise appropriate forbearances on collection documentation, to amortize any unpaid payments over the remainder of the policy term or a period of up to 12 months, and to refrain from seeking recoupment of any unpaid claims paid during an emergency grace period. Insurance Commissioner Marlene Caride then issued Bulletin 20-15 ("Bulletin") outlining requirements for insurance carriers to implement the requirements of EO 123. The grace periods and rights as found in EO 123 and the Bulletin 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 ("Affected Policyholder").

Grace Period to Pay Premiums

If you are an Affected Policyholder, we will provide you with a 90-day grace period to pay your insurance premiums to avoid having your policy cancelled for nonpayment of premium. You can elect for this emergency grace period to begin retroactively on April 1, 2020 or opt for the grace period to begin on May 1, 2020. Any late fees will be waived and you will not be reported to a credit rating agency during this grace period.

This grace period applies to all installment payments including renewal down payments. However, you must give us notice that you wish to continue coverage.

This grace period does not change the terms of your policy or forgive any premium due, rather, it is intended to grant you an extended period for payment of your premium due without any penalty or interest.

Catching up on Overdue Insurance Payments

The Bulletin also requires us to permit Affected Policyholders to pay the overdue premiums over a 12-month period or the remainder of the current policy term, whichever is longer, 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. Any late payments will not be considered in any future premium calculations. We have implemented minimum premium threshold requirements for certain insurance products which may affect your qualification for a premium accommodation plan. You will still qualify for the grace period, however.

To discuss billing and to make alternative payment arrangements, please contact your agent.

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 premium relief.

Questions

If you have any questions regarding your rights under the Executive Order or the Bulletin, please contact your agent. A copy of the Bulletin can be found at: https://www.state.nj.us/dobi/bulletins/blt20_15.pdf.

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

Thank you for being a valued customer. We hope that you and your loved ones remain healthy and safe.

The RLI/CBIC/Mt. Hawley Team