



NY State Executive Order regarding certain Insurance Premium Payments:

To Our Valued Clients:

Certain Property and Casualty Insurance Policies are affected by **New York Executive Order 202.13**, and **New York Department of Financial Services emergency regulation 11 NYCRR 229**.

As part of these orders the Governor has mandated that insurance carriers extend grace periods, and provide other rights to small businesses who can demonstrate financial hardship as a result of the Covid-19 pandemic. These grace periods and rights are currently in effect and though they are temporary they may be extended further.

Only certain types of commercial lines property/casualty insurance policies are covered by the Emergency Regulation, generally including property, fire, commercial general liability, special multiperil, medical malpractice, workers' compensation, commercial auto (including livery and other for-hire vehicles,) and commercial umbrella insurance. In addition, the Emergency Regulation only applies to "small businesses" 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

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.

Financed Policies:

If your insurance policy has been financed through a premium finance company and you, as an affected policyholder, do not make an installment payment, the premium finance company may not cancel your policy for a period of at least 60 days, including any contractual grace period. In addition, if you do not make a timely installment payment to the premium finance company, they 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 Companies

If you, as an affected policyholder, do not make a timely installment payment to the premium finance company due to financial hardship as a result of the COVID-19 pandemic, they 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 company. This also applies if the premium finance company 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 to your insurer or premium finance company, 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 company, as applicable, shall accept as satisfactory proof. Such statement is not required to be notarized.

For more information you may visit the New York State Department of Financial Services Website <https://www.dfs.ny.gov/consumers/coronavirus>

Our Account Managers are ready and waiting to help should there be any questions at any time. We thank you for your business.

Sincerely,
The Commercial Lines Team

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