

# Premium payments while under COVID-19 financial stress

*This notice may be mailed or sent electronically*

To Mesi Agency, Inc. clients,

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”), extend grace periods and give you other rights under certain property/casualty insurance policies 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”). These grace periods and rights are currently in effect but are temporary, though they may be extended further. Please check the Department’s website at <https://www.dfs.ny.gov/consumers/coronavirus> for updates.

If you are an individual, generally, personal lines property/casualty insurance policies are covered by these amendments, including auto, homeowners’ and renters’ insurance. If you are a small business, only certain types of commercial lines property/casualty insurance policies are covered by these amendments, 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. 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, nonrenewing, 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.

### **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 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.

If you have any questions regarding your rights under the Executive Order or regulations, please contact us or the insurance company direct.