

The Redwoods Group Billing Notice for 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”), extend grace periods and give certain policyholders 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 an individual and an Affected Policyholder, please contact us or broker if you are uncertain whether your policy is covered.

If you are a Small Business, only certain types of admitted 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.

If you are a Small Business and an Affected Policyholder, please contact us or your broker if you are uncertain whether your policy is covered.

A copy of the Executive Order and Regulations can be found at <https://www.governor.ny.gov/news/no-20213-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency> and https://www.dfs.ny.gov/system/files/documents/2020/03/re_consolidated_amend_pt_405_27a_27c_new_216_text.pdf, respectively.

Moratorium on Cancellation, Non-Renewal, and Conditional Renewal

If you are an Affected Policyholder, there is a moratorium on the cancelling, non-renewing, or conditionally renewing your property/casualty insurance policy for a period of 60 days. If an Affected Policyholder does not make a timely premium payment and can demonstrate financial hardship as a result of the COVID-19 pandemic, we will not impose any late fees relating to the premium payment or report the an Affected Policyholder to a credit reporting agency or a debt collection agency regarding such premium payment.

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 the an Affected Policyholder 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 we sent the Affected Policyholder a nonpayment cancellation notice prior to March 29, 2020.

Policies Financed by Premium Finance Agencies—Grace Period

If an Affected Policyholder's insurance policy has been financed through a premium finance agency, and Affected Policyholder does not make an installment payment, the premium finance agency may not cancel the Affected Policyholder's 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 an Affected Policyholder does 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 the Affected Policyholder to a credit reporting agency or a debt collection agency regarding that installment payment.

Catching up on Overdue Payments to Premium Finance Agencies

If an Affected Policyholder does 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 the Affected Policyholder to pay the installment payment over a 12-month period if the Affected Policyholder 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 an Affected Policyholder is unable to make a timely premium payment due to financial hardship as a result of the COVID-19 pandemic, the Affected Policyholder may submit to us, or to its premium finance agency, as applicable, a statement that the Affected Policyholder swears or affirms in writing under penalty of perjury that it is experiencing financial hardship as a result of the COVID-19 pandemic, which we or the Affected Policyholder's premium finance agency, as applicable, will accept as satisfactory proof. Such statement is not required to be notarized.

Questions

If you have any questions regarding your rights under the Executive Order or Regulations, please contact us, your broker, or premium finance agency. We can be reached at 800-463-8546.