



REQUIRED STATE OF NEW YORK NOTICE

April 13, 2020

Horst Insurance New York State Clients – Property & Casualty

RE: NY Regulations 1 NYCRR Section 229 and 3 NYCRR Section 405

Dear State of New York Client:

It has been, and continues to be, a pleasure to be of service to you with regard to your insurance needs, and we hope this letter finds you and yours well and safe during these unprecedented and trying times.

We are providing you with this notice in response to emergency measures recently implemented in New York, and which have been put in place in order to provide safeguards for insurance policyholders facing financial hardship due to the COVID-19 pandemic.

To that end, a recent Executive Order issued by New York Governor Andrew 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. You are encouraged to check the Department’s website at the following <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 either Horst Insurance or your insurance company if you are uncertain whether your policy is covered.

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. If you are a small business and an affected policyholder, please contact Horst Insurance or your insurance company if you are uncertain whether your policy is covered.

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

Policies Financed by Premium Finance Agencies – Grace Period

If your insurance policy has been financed through a premium finance agency, and you, as an affected policyholder, do 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 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, as an affected policyholder, 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, 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.

Questions

If you have questions regarding your rights under the Executive Order or regulations, please contact either Horst Insurance, your insurance company, or your premium finance agency.

All of us at Horst Insurance remain available to assist you with your ongoing needs, and hope that we continue to provide the kind of service you expect and deserve. Please do not hesitate to contact us if you have any questions regarding this notice.

Sincerely,

Horst Insurance

800-533-2011