



COVID-19 GUIDANCE FOR CANCELLATIONS AND NONRENEWALS
September 3, 2020 - Please read this carefully

This guidance is intended to provide a consistent approach to granting insureds additional time to pay their premium. The intent of this guidance is to balance the needs of our insureds and compliance with state bulletins against the need for operational efficiency. States are not requiring that carriers provide free coverage. Insureds are being granted more time to remit premium.

I. CANCELLATIONS/NONRENEWAL for all states except as provided below.

Except as provided below, pre-COVID-19 cancellation/nonrenewal rules are back in place for all states.

II. CANCELLATIONS/NONRENEWAL in AR (admitted personal lines only), DC, OH, OR, OK, WV.

1. FOR NONPAYMENT

Mid-term Cancellations:

The company and its business partners should continue to generate and issue notices of cancellation in accordance with their usual procedures. However, insureds shall be provided with 60 days from the issuance date of the Notice of Cancellation to pay their premiums. Please note, we are not extending effective cancellation dates; we are providing additional time to pay. Notices should be clear that failure to pay in the time provided would make cancellation effective retroactive to the effective date reflected in the cancellation notice. See attached sample COVID-19 Notices. For insureds that need additional time to pay, please refer to the company.

Renewals and/or New Business:

The company and its business partners shall provide insureds with 60 days *from the date that payment is customarily required (i.e., date of Binder, quotation or policy effective date)*. However, in no instance shall such additional time be in excess of 60 days from the policy inception date.

If premium is not remitted within the 60 days, the policy never bound and is void at inception. Notices and/or invoices should be clear that failure to receive premium within the time allotted will result in the policy being void at inception. For insureds that need additional time to pay, please refer to the company.

Notwithstanding the foregoing, if your normal (pre-COVID) processes are providing at least 60 days, there is no need to alter your processes.

2. FOR REASONS OTHER THAN FOR NON-PAYMENT

Policies may be canceled or nonrenewed in accordance with usual procedures provided that the cancellation or nonrenewal is not related to COVID-19 or for nonpayment.

IV. MANDATORY GRACE PERIODS – DELAWARE:

Delaware insureds are eligible for a 90-day repayment plan if they can demonstrate loss of job or income or closure or reduction of business due to COVID-19. Attached is a sample notice that we are required to send to Delaware insureds. Insureds have two weeks to provide proof of economic hardship to be eligible for a repayment plan.

III. GENERAL RULES APPLICABLE TO ALL STATES

Regardless of the foregoing, if an insured cannot pay its premium due to adverse circumstances resulting from the COVID-19 pandemic and is seeking additional time to pay, please refer to the company so that we may work with such insured.

If an insured requests cancellation, such request must be honored. Insureds may reject any policy extensions.

All late fees in all states must be waived.

While some states are permitting electronic communications, not all states have changed their requirements. Therefore, hard copies and mailed correspondence is preferable where possible. Please retain all correspondence (emails, regular mail letters, etc.) relating to all cancellations and nonrenewals.

If you have specifics/logistics you would like to discuss, or if you have questions or concerns, please contact your underwriter.

Please be on the lookout for updates.

COVID-19 NOTICE

For AR, DC, OH, OK, OR, WV.

Please read carefully

Due to the circumstances surrounding COVID-19, Hudson Insurance Group is suspending the effectiveness of your policy's cancellation and temporarily extending the time for payment of premium by sixty (60) days. If you do not pay the amount you owe, after the expiration of the 60 days, your policy will be canceled as of the effective date shown in your Notice of Cancellation. If you require additional time to pay your premium, please contact your broker.

COVID-19 NOTICE

For Delaware policyholders.

Please read carefully

You are eligible for an interest and penalty-free 90-day repayment plan for premiums past due between March 25, 2020 and July 1, 2020 if you were directly affected by COVID-19. To qualify, you must request a repayment plan within two weeks of the date of this notice and provide evidence that you suffered hardship directly related to the COVID-19 pandemic.