

Action Required: NY Mandates Insurance Producers Post Notice on Website, Contact Clients Directly

The New York Department of Financial Services (DFS) adopted a series of emergency regulations in connection with the COVID-19 virus on March 30 requiring all insurance producers to send a notice describing the emergency regulations to all customers who reside in New York who have in-force life insurance policies or annuity contracts. The DFS has also directed that insurance producers with clients in New York post a notice on any public-facing websites they maintain.

The primary intent of the emergency regulations is to provide owners of insurance policies and annuity contracts a moratorium on premium payments if they can show that they have been adversely affected by the COVID-19 virus. This would generally cover policyholders (including their family members) who have experienced medical issues related to COVID-19 or who have suffered economic damage such as loss of employment or significant reduction or income.

If you have any clients in New York, regardless of where you live or work, you must publish the content below, in whole, to your public-facing website(s) immediately.

Notes for Use: Please provide the copy below to your website vendor, and follow this [template](#), which has been approved by Advertising Compliance. We recommend you use this version without any changes. If you wish to alter it in any way, you must submit your proposed changes to Advertising Compliance for review and approval.

If you have any questions, please contact your Resource Center or Engagement Team.

COVID-19 Regulations: New York

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 your life insurance policy or annuity contract if you can demonstrate financial hardship as a result of the novel coronavirus (“COVID19”) pandemic. 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.

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.

Insurance Payments - Grace Period

If you can demonstrate financial hardship as a result of the COVID-19 pandemic, your insurer must extend to 90 days the applicable grace period for the payment of premiums and fees under your life insurance policy or annuity contract. 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 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 life insurance policy or annuity contract has been financed through a premium finance agency, and you do not make an installment payment, the premium finance agency may not cancel your life insurance policy or annuity contract for a period of at least 90 days, including any contractual grace period, if you can demonstrate financial hardship as a result of the COVID-19 pandemic, 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 and can demonstrate financial hardship as a result of the COVID-19 pandemic, the premium finance agency must extend the due date for the installment payment by at least 90 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 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 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 any questions regarding your rights under the Executive Order or regulations, please contact your insurer, broker, or premium finance agency.