



OneBeacon Insurance Group
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ADVISORY NOTICE TO CERTAIN NEW YORK INDIVIDUAL AND SMALL BUSINESS PROPERTY/CASUALTY POLICYHOLDERS

Dear OneBeacon Insurance Group Policyholder,

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 (the “Department”), grant grace periods and other rights to certain individual and small business property/casualty policyholders who can demonstrate financial hardship as a result of the novel coronavirus pandemic (“COVID-19 pandemic”). These rights are temporary, though they may be extended further. Please check the Department’s website at <https://www.dfs.ny.gov/consumers/coronavirus> for updates. For a copy of the Executive Order and related regulations, please see the links provided in the footnotes below.^{1 2}

Applicability

Individuals:

If you are an individual and can demonstrate financial hardship as a result of the coronavirus pandemic, the regulations apply to most individual property/casualty insurance policies, including auto, homeowners’ and renters’ insurance (such individuals holding qualifying policies are referred to herein as “affected individuals”). Please contact us if you are uncertain whether your policy is covered.

¹ Executive Order: <https://www.governor.ny.gov/news/no-20213-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency>

² Regulations: https://www.dfs.ny.gov/system/files/documents/2020/03/re_consolidated_amend_pt_405_27a_27c_new_216_text.pdf

Small businesses:

If you are a small business and can demonstrate financial hardship as a result of the coronavirus pandemic, the regulations apply to only certain types of commercial lines property/casualty insurance policies, generally including property, fire, commercial general liability, special multi-peril, medical malpractice, workers' compensation, commercial auto (including livery and other for-hire vehicles), and commercial umbrella insurance (such small businesses holding qualifying policies are referred to herein as "affected small businesses"). 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, please contact us if you are uncertain whether your policy is covered.

Moratorium on Cancellation, Non-Renewal, and Conditional Renewal

If you are an affected individual or small business, the regulations prohibit us from cancelling, non-renewing, or conditionally renewing the property/casualty insurance policies described above for a period of 60 days if you can demonstrate financial hardship as a result of the COVID-19 pandemic. Similarly, if you do not make a timely premium payment and can demonstrate financial hardship as a result of the COVID-19 pandemic, we 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.

Twelve-month Payment Option for Overdue Insurance Payments

The regulations also require us to permit affected individuals and small businesses to pay the overdue premium on the property/casualty policies described above 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 we sent you a nonpayment cancellation notice prior to March 29, 2020.

Grace Period for Policies Financed by Premium Finance Agencies

If your insurance policy has been financed through a premium finance agency, and you, as an affected individual or small business, 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, 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.

Twelve-Month Payment Option for Overdue Payments to Premium Finance Agencies

If you, as an affected individual or small business, do not make a timely installment payment to a 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 individual or small business, are unable to make a timely premium payment due to financial hardship as a result of the COVID-19 pandemic, you may submit to us or your premium finance agency, as applicable, a statement affirming under penalty of perjury that you are experiencing financial hardship as a result of the COVID-19 pandemic, which we or your premium finance agency, as applicable, must accept as satisfactory proof. Such statement need not be notarized.

We – OneBeacon Insurance Group – will also accept an email statement affirming your financial hardship as a result of the COVID-19 pandemic as satisfactory proof.

Questions

If you have any questions regarding your rights under the Executive Order or regulations, please contact us or your premium finance agency.

If you would like to discuss billing or make alternative payment arrangements or if you have any questions about the below, please contact us at 1.877.624.7775 or customerservice@onebeacon.com.