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FW: Gov. Cuomo issues executive order modifying Insurance Law

insurance policy issued to an individual or small business—or in the case of a group insurance policy—insuring certificate holders who are individuals or who own small businesses, for a period of 60 days, for any policyholder—or in the case of a group insurance policy—group policyholder or certificate holder, facing financial hardship as a result of the COVID-19 pandemic. The foregoing relief also shall apply to the kinds of insurance set forth in paragraphs (16—fidelity and surety insurance), (17—credit insurance), (20—marine and inland marine insurance), (21—marine protection and indemnity insurance), (24—credit unemployment insurance), (26—gap insurance), and (30—involuntary unemployment insurance) of Section [1113\(a\)](#) of the Insurance Law. **For purposes of this executive order, a small business shall mean any business located in New York state, that is independently owned and operated, and employs fewer than 100 people.**

Section [576](#) of the Banking Law is modified to grant the superintendent of financial services the authority to promulgate an emergency regulation to apply the provisions of the executive order relevant to policy cancellations, to premium-finance agencies (as defined in [Article XII-B of the Banking Law](#)), subject to the safety and soundness considerations of the premium-finance agencies.

What this order does is allow for more time and grace periods for people to pay premiums and fees or collect on certain policies (such as life insurance) given the difficulties many are facing right now, such as job loss.

Ideally, policyholders would continue to pay their premiums so they do not have large bills later on; the executive order is not meant to give policyholders incentive to not pay their premiums,” but it gives people who need it a grace period. The order does not specify how people who do not pay would have to pay after the delay, but this could come later or be part of the emergency regulation that the order allows the superintendent of DFS to promulgate. How this will be dealt with, if at all, is not immediately clear, but we will be sure to communicate any information we get on this issue.

It also prevents carriers from cancelling, nonrenewing or conditionally renewing individual or small business policies. A small business, for purposes of the order, is a business in New York which is independently owned and operated and which employs 100 or fewer individuals.

PIANY continues to monitor changes coming from the state regarding COVID-19. You can find all updates on the [PIANY COVID-19 resource page](#).

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