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GRACE PERIODS FOR INSURANCE PREMIUM PAYMENTS.

On April 9, 2020, Governor Phil Murphy signed [Executive Order No. 123](#), extending grace periods during which certain insurance companies, including health insurers, life insurers, and property and casualty insurers, will not be able to cancel policies for nonpayment of premiums.

Governor Murphy's Executive Order makes the following changes effective immediately:

Extends minimum grace periods:

A minimum 60-day grace period for health and dental insurance policies, and 90-day grace period will be required for life insurance, insurance premium-financing arrangements, and property and casualty insurance, which includes auto, homeowners, and renters insurance.

Insurance companies are required to notify policyholders of the following:

Insurance companies must notify policyholders of this emergency grace period and to waive certain late fees, interest, or other charges associated with delays in premium payments.

Insurers are required to provide each policyholder with an easily readable written description of the terms of the extended grace period.

The extended grace period will not apply to employer-funded (self-insured) health plans, which under federal law are regulated exclusively by the federal government.

Requires insurance companies to pay claims during the grace period:

Insurance companies will be required to pay any claim incurred during the emergency grace period that would be covered under the policy.

The Order prohibits insurance companies from seeking recoupment of any claims paid during the emergency grace period based on non-payment of premiums.

Ensures that unpaid premiums are made payable over a lengthy period:

Policyholders can pay off any unpaid premium over the remainder of the policy term or a period of up to 12 months.

For more information, please visit: New Jersey Executive Order No. 123