

Good day,

I hope this email finds you, your colleagues and your family safe, healthy and navigating these exceptionally challenging days as well as can be expected. We remain committed to working with our agents to assist our mutual policyholders, as they strive to overcome the challenges their businesses and families face. Therefore, the purpose of this note is to provide an update regarding some key adjustments we've recently made:

- Governor Murphy's Executive Order No. 123 and the New Jersey Department of Banking and Insurance Bulletin No. 20 – 15 directed insurers to refrain from cancelling any policy or contract for non-payment during a 90-day grace period. Per additional requirements outlined in the Bulletin, we are sending the attached letter to all *New Jersey* policyholders to explain their rights to and during the 90-day grace period. The letter also provides details about how the process works.
- Other refinements include:
 - Policyholders can now make partial payments through the Policyholder Portal;
 - The BOP Automatic Increase (for Building and Business Personal Property) has been suspended.
 - For MIGPay (Merchants' WC pay as you go program):
 - the minimum premium is changed to \$1,500 from \$2,500
 - fees and assessments are being spread across all installments instead of being billed with the first installment
 - policyholders can opt into "seasonal" status which temporarily suspends the need for self-reporting

Finally, we're completing a comprehensive analysis to determine the appropriate approach in providing policyholders with credits, refunds, etc. We realize it's important to adequately align premium levels with current exposure levels given the impact of COVID-19 on business operations, driving habits, etc. We expect to develop and communicate a solution during the upcoming week.

Thank you for your continued support of and commitment to Merchants. Please call us with any questions or when we can help you.

Sincerely,
Rich

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Dear Valued Policyholder,

The outbreak of the respiratory disease COVID-19, has resulted in financial hardships for many small business owners across New Jersey. Merchants Insurance Group is committed to helping you get through these difficult times and we want to ensure that our policyholders are taken care of.

Under emergency regulation issued by the New Jersey Department of Banking and Insurance, you are entitled to a 90-day grace period to pay your property/casualty insurance premiums if you are experiencing a financial hardship due to COVID-19. During this 90-day grace period,

- Merchants will not cancel your insurance due to non-payment of premium
- All late fees will be waived
- We will not report late payments to credit rating agencies
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You may elect to pay premiums due during the 90-day period over the remainder of your current policy term or up to 12 months in up to 12 equal installments.

You may elect this 90-day grace period to begin retroactively on April 1, 2020 or you may opt to have a 90-day grace period to begin on May 1, 2020. Please know, your use of any 90-day grace period will not have a negative effect on the future rating of your policy.

To opt for a 90-day grace period or to discuss individualized payment flexibility, please contact the Merchants Direct Bill team at 1-800-462-8182 or directbill@merchantsgroup.com. You also may call your Independent Agent for assistance.

To accommodate our increased call volume, we have extended our billing department hours to:

- Monday-Friday, 8 a.m. to 7 p.m., and
- Saturdays, on-call as needed.
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You can also take advantage of **"My Merchants"**, our secure, policyholder dedicated portal, where you can make payments, access policy, billing and claims information. To gain access, click on the "Policyholder" link under "Login" on our main page. From there, look for the "Sign up now" link where you'll be walked through a few easy steps.

Thank you for choosing Merchants as your insurance carrier. We remain committed to working with your independent agent to help you find a successful way through these very challenging times. Please contact us directly regarding a payment grace period and your agent for any other insurance related questions.

Sincerely,

