



**MIKE CAUSEY**  
INSURANCE COMMISSIONER

## ADVISORY

**To:** All Insurance Companies and other Entities Licensed under Chapter 58 of the North Carolina General Statutes

**From:** Mike Causey, Commissioner of Insurance

**Date:** March 24, 2020

**Subject:** Advisory to Insurance Companies Regarding Policyholders Affected by the COVID-19 Virus.

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**On March 10, 2020 Governor Cooper issued EXECUTIVE ORDER NO.116, for the State of North Carolina due to COVID-19 which is a respiratory disease that can result in serious illness or death by the SARS-CoV-2 virus, which is a new strain of coronavirus previously unidentified in humans and which can spread from person to person. Executive Order 116 declares a state of emergency as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) exists in the State of North Carolina. ("the Emergency Area").**

Given the spread of the COVID-19 virus, schools, businesses, and the general public have been encouraged to take mitigating efforts to limit further spread of the virus. Some of these measures have unfortunately led to the displacement of workers which may have adverse effects, including the failure to be paid their regular salary and receive reimbursement when normally due. This, in turn, may adversely affect the ability of these individuals or entities to make timely payment for monetary obligations, including payments for insurance premiums.

Given the profound effect these measures are having on consumers in our state, North Carolina Commissioner of Insurance Mike Causey is working with the insurance industry to ensure that appropriate accommodations are being made for those affected by COVID-19 in North Carolina. Specifically, Commissioner Causey urges insurers to consider the following actions: consistent with prudent insurance practices, relaxing due dates for premiums payments, extending grace periods, waiving late fees and penalties, and allowing payment plans for premiums payments to otherwise avoid a lapse in coverage. Insurers should also consider cancellation or non-renewal of policies only after exhausting other efforts to work with policyholders to continue coverage.

In addition, Commissioner Causey is requesting that all insurance agents, brokers, and other licensees who accept premium payments on behalf of insurers take steps to ensure that customers have the ability to make prompt insurance payments. This should include alternate methods of payment, such as online payments, to eliminate the need for in-person payment methods, in order to protect the safety of workers and customers.

This Advisory shall apply to commercial and personal, property, casualty, accident and health and life policies.

Affected policyholders should notify their insurance carriers and agents and explain their individual situation and difficulties complying with payment schedules.

Commissioner Causey believes the considerations outlined in this Advisory are crucial at this time to help ease the hardships that are being felt by North Carolina citizens. The Department will continue to monitor developments and will evaluate the situation as necessary.

Check the N.C. Department of Insurance web site for possible future updates.

[www.ncdoi.gov](http://www.ncdoi.gov)

Please refer any questions regarding Property & Casualty to Fred Fuller at [Fred.Fuller@ncdoi.gov](mailto:Fred.Fuller@ncdoi.gov).

Please refer any questions regarding Life & Health to Ted Hamby at [Ted.Hamby@ncdoi.gov](mailto:Ted.Hamby@ncdoi.gov).