

To Hereford Insurance Company (HIC) Insureds:

We hope this letter finds you and your family safe and well during this very difficult time. We understand that many of our Insured's are affected by the COVID-19 pandemic and we want to help. We expect to have additional information with respects to changes we are making, and have it available to you as soon as practicable.

A recent Executive Order issued by Governor Cuomo, with recent amendments to the insurance regulations (the "regulations") issued by the New York State Department of Financial Services ("Department"), extend grace periods and give you other rights under your insurance policies if you can demonstrate financial hardship as a result of the novel coronavirus ("COVID-19") pandemic ("affected policyholder"). These grace periods and rights are currently in effect but are temporary and set to expire on April 28th 2020, though they may be extended further. Please check the Department's website at <https://www.dfs.ny.gov/consumers/coronavirus> for updates.

Certain types of commercial lines policies are covered by these amendments, including workers' compensation, commercial auto (including livery and other for-hire vehicles). If you are an affected policyholder, please contact your broker or HIC if you are uncertain whether your policy is covered. 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. A copy of the Executive Order and regulations can be found at <https://www.governor.ny.gov/news/no-20213-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency> and https://www.dfs.ny.gov/system/files/documents/2020/03/re_consolidated_amend_pt_405_27a_27c_new_216_text.pdf, respectively.

If you are an affected policyholder, there is a moratorium on cancelling, non-renewing, or conditionally renewing your policy for a period of 60 days. If you do not make a timely premium payment and can demonstrate financial hardship as a result of the COVID-19 pandemic, HIC will not impose late fees or report you to a credit reporting agency or a debt collection agency regarding such premium payment. To discuss with HIC directly, our toll-free number is 1-866-437-3367 – though we encourage you to discuss billing or to make alternative payment arrangements with your Broker.

HIC will permit you, as an affected policyholder, to pay the overdue premium 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 you received a nonpayment cancellation notice prior to March 29, 2020.

If you, as an affected policyholder, are unable to make a timely premium payment due to financial hardship as a result of the COVID-19 pandemic, you may submit to your broker or HIC, a statement that you swear or affirm in writing that you are experiencing financial hardship as a result of the COVID-19 pandemic, which HIC will accept as satisfactory proof.

If you have any questions regarding your rights under the Executive Order or regulations, please contact your broker.

Insured's that pay HIC direct may still mail their insurance premiums or utilize our website, www.HerefordInsurance.com and select "Online Payment".

These are unprecedented and challenging times for everyone. The situation continues to change rapidly and we will continue to do our best to accommodate you appropriately and keep you updated.

HIC