Grace Period Principles
4-10-20

As part of the industry's response to COVID-19, life insurers are working with state regulators to provide accommodations for individual and small business policyholders of in-force insurance contracts for those who cannot make timely payment of required premiums as a result of financial hardship caused by COVID-19 disruption. These accommodations may vary based on the nature of the life insurance, annuity, long-term care, disability income, or supplemental benefit contract.

Typical financial hardship accommodations for policyholders who request them may include:
- Allowing policyholders to delay making premium payments up to a total of 90 days from the premium due date so that the policy is not canceled or lapsed during this period;
- Allowing reasonable repayment options for unpaid premiums;
- Waiving any late premium payment fees or penalties;
- Providing reasonable flexibility to policyholders or their beneficiaries regarding proof of claim;
- Providing policyholders the ability to make premium payments, report a claim or otherwise communicate with the policyholders' insurer or producer electronically, or if in person, by maintaining safe social distancing standards.

These accommodations would remain in place until the state of emergency has been lifted in the state.

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