



**Department of Business Regulation**  
**Banking Division**  
1511 Pontiac Avenue, Bldg. 69-2  
Cranston, Rhode Island 02920

## **Banking Bulletin Number 2020-4**

### *Flexibility in Premium Finance during the COVID-19 emergency*

Governor Gina Raimondo has issued a series of Executive Orders declaring a state of emergency in Rhode Island due to the COVID-19 virus. The emergency is creating widespread interruptions in the economy and loss of income for many Rhode Island residents and businesses. This bulletin is intended to identify the ways in which premium finance companies can contribute to the rebuilding that will be necessary as a result of this emergency.

The Rhode Island Banking Division requests that premium finance lenders writing business in our state take the following steps to preserve access to insurance coverage during this emergency

- Provide as much flexibility as possible to allow insureds to maintain their existing coverage by implementing and extending grace periods for payments, allowing alternative payment plans and instituting whatever other measures necessary to assist insureds in avoiding or delaying cancellation or a lapse of insurance coverage.
- Institute alternative methods of payment for those insureds whose normal method of payment is affected by this emergency. For example, insurers could provide for electronic premium payments as an alternative to in-person payments.
- Premium Finance lenders should institute additional flexibility in the form of waivers of late payment, insufficient funds and installment fees and penalties, extension of billing due dates and grace periods.
- Premium Finance lenders should explore ways to streamline or delay the submission of administrative paperwork that may jeopardize the maintenance and/or issuance of coverage.

None of these requests are intended to change the terms of in force premium finance contracts or be considered a forgiveness of premium. It is the hope of our Department that the implementation of these steps will assist with the recovery of Rhode Island individuals and businesses from the current emergency.

If you have any questions regarding this bulletin or any other matters, please send an email to [dbr.bankinquiry@dbr.ri.gov](mailto:dbr.bankinquiry@dbr.ri.gov).

Elizabeth Kelleher Dwyer  
Superintendent of Banking  
April 3, 2020