



## Important Information from Cigna

### Cigna is here to support you

We are committed to the health, well-being, and peace of mind of our clients and customers. If you have been negatively financially impacted from COVID-19 and need to discuss a deferral of your April or May premiums for **insured medical or dental products**, please contact your assigned Client Manager or Billing Analyst. When outreaching, please include the month in which a deferral is being requested and the proposed repayment plan for the deferral. Cigna will partner with you to document the approved repayment plan to ensure that all involved parties are in agreement with the details.

On April 9, 2020, New Jersey Governor Phil Murphy released Executive Order No. 123 requiring New Jersey insurance carriers to provide certain policyholders a premium grace period. On April 10, 2020 the New Jersey Department of Banking and Insurance (“the Department”) released guidance on the order as it relates to large and small group health and dental carriers in Bulletins No. 20-12 and 20-13. To help you understand New Jersey’s mandate, we have provided an overview of this guidance. This summary is not legal advice and the effects of the grace period on your policy should be discussed with your own counsel.

#### **New Jersey Mandate**

The Department stated that health and dental carriers must make an emergency 60-day grace period available to any insured policyholder that has been financially or physically impacted by COVID-19. The grace period may be initially applied towards the April or May premium as the policyholder determines and will continue for 60 calendar days from that date.

The Department further required carriers to provide the emergency grace period to any large employer that provides the carrier with an attestation from a senior financial officer or certified public accountant attesting to the employer’s financial hardship caused by COVID-19. The attestation may only require the employer to indicate that as a result of COVID- 19 it is experiencing a financial hardship, therefore making it difficult to pay its premium payments.

During the emergency grace period, a carrier may not terminate that policy for nonpayment of premium. Coverage must remain in force and claims must be paid and may not be pended.

If a carrier has already provided a policyholder with a legally required grace period for April 2020 premiums, that period will be applied toward the emergency grace period. If coverage has been terminated due to nonpayment of premium after April 1, 2020, coverage must be reinstated for the term of the applicable emergency grace period.

The 60-day grace period will only apply to policyholders that were in good standing with their insurance carrier on March 1, 2020 and only applies to premiums due after the initial premium has been made to secure coverage.

After the 60-day emergency grace period, a policyholder must be offered the option of amortizing any unpaid premium over the remaining months of the calendar year. If only three months remain on the policy, but 6 months remain in the calendar year, the carrier must allow the policyholder the option to pay the unpaid premium in six installments in addition to the regular monthly premium.

Carriers were directed that they are not allowed to seek recoupment from any policyholder for any claims incurred during the emergency grace period.

Carriers may not report late payments to credit reporting agencies for policyholders taking advantage of COVID- 19-related relief.

We value your business at Cigna and look forward to continuing to support you and your workforce during these turbulent times. If you have any questions, please do not hesitate to contact your Cigna representative.

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