



COVID-19 Business Operations Communication to Agents (3/27/2020)

As this global crisis continues to evolve, Century will focus on providing uninterrupted **Service, Solutions, and Support**. We will consider each unique situation and apply empathy that demonstrates the solidarity we feel for all affected.

With these goals in mind, we provide the following considerations and guidance to our agency partners:

➤ **Cancellation for Nonpayment of Premium & Minimum Earned Premiums (MEP):**

States have released separate communications, either mandating or requesting, that insurers refrain from sending cancellation for non-payment of premium.

Century's position on cancellation for non-payment of premium is to follow each state's mandates and recommendations concerning the length of time for the moratorium on issuing cancellation for non-payment of premium. Our agency partners are directed to follow each state's orders and recommendations as well.

At this time, Century **is not changing our Minimum Earned Premiums**. We will continue to monitor.

➤ **Extension of Policy Terms due to Construction and other Delays:**

Business closures and orders to stay home will lead to delays in construction and postponements of business operations. Century will work with our partners to understand our insureds' challenges, unique to their business. Century will review each situation and respond prudently.

➤ **Renewals:**

If the usual requirements cannot be met due to the current crisis, we will allow for renewals to be quoted and bound using expiring information until businesses are reopened.

When quoting renewals, reductions in premium basis may be used to account for a reduction in exposures due to COVID19. No one knows how long the slowdown will last, and we should take care to develop a reasonable premium basis.

➤ **Premium Basis Reduction & Policy Audits:**

It is unclear how long it will be until businesses return to normal operating levels. Given the current uncertainty, **mid-term reductions on premium basis are not permitted.**

At this early stage of time, Century's audit procedures remain in force. As the situation evolves, we will continue to review and adjust as needed.

➤ **Business Income:**

As previously communicated, Century will not accept any requests to add or increase business income limits mid-term. For new ventures, reasonable Business Income Limits may be provided. Please note our previous communication regarding our stance on coverage.

We are also a market for Business Income on existing businesses that will be new insureds to Century. For this new business, business income is available if the prior policy had business income. Quoted limits for this business cannot be higher than the expiring limit.

➤ **Backdating Coverage:**

Backdating coverage is not permitted.

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➤ **Inspections:**

Loss control vendors are reporting difficulty in conducting inspections and receiving compliance on recommendations from closed and shuttered businesses.

Century's direction to our internal teams and agency partners is to continue to order inspections. When doing so, be sure to select the appropriate inspection type and timing of expectations based on the individual risk. We will extend the 30-day requirement as needed. In addition:

- Inspections are not required on loss-free renewal business that renews before 7/1/2020. However, Century Underwriters reserve the right to order inspections if necessary.
- Phone inspections are permitted for new general liability & garage business with premium basis of:
 - Sales
 - Payroll
 - Subcontractor costs
 - Admissions
 - Garage Rating Units
- Along with phone inspections, pictures taken by the insured may be acceptable depending on the risk. "Self-Inspections" are not required unless the agency producer or Century underwriter determines it is appropriate.
- Recommendations will be reviewed and acted upon based on the severity.

➤ **Vacancy:**

Following the temporary closure of businesses around the country, Century has been asked if our vacancy provision will preclude coverage if the business is shut down for more time than the CCF 1503- Exclusion – "Vacant or Unoccupied" Property form allows.

In most cases, Century does not consider a property vacant if it is temporarily shut down because of a government order. This assumes the shutdown is not prolonged and that the property and its contents are left on the premises. As the CCF 1503 outlines, the property and contents must be in working condition and able to be used to conduct customary operations.

If the business is currently closed, Century can provide a short-term casualty policy based on area. Rating as a vacant building is permitted in COL for agents with binding authority. The property portion is also available and may be packaged. The commission is 27.5% on packaged binding authority vacant building policies.

➤ **Hired & Non-owned Auto for Restaurant/Bars/Taverns:**

Century is not a market for H&NO for food delivery.

➤ **Signed Applications:**

Century will continue to require signed applications but has and will continue to accept electronic signatures. An image of these documents will be accepted until there is an efficient way to send otherwise.