

MEMO #: 2020-56
Date: April 9, 2020
To: Agency Managers & Agents
From: Marketing & Sales Department
Subject: COVID-19 Accommodations

We understand that, as a result of the COVID-19 pandemic, you may be receiving questions from policyholders regarding paying their premiums on time. Prosperity is closely monitoring the various guidance and directives from the states. The purpose of this bulletin is to provide general information as to how we intend to address this situation.

Unless a state requires something more, we will impose a moratorium on cancellation through June 1, 2020 for those policyholders who can demonstrate a financial hardship resulting from COVID-19. This means that, for any such policyholder, any policy set to lapse between now and June 1, 2020 will stay in force for the time being. We will evaluate whether we need to extend this deadline beyond June 1st as we get closer to that date. **Policyholders must contact us to request a hardship accommodation.**

For the states currently imposing a moratorium on all lapses due to nonpayment of premium (this continues to evolve, but currently we interpret these as AK, CA, LA, IN, OR), we will suspend such policies immediately prior to lapse and inform policy owners by letter of the temporary moratorium. Such policyholders can continue to pay their premiums if they so wish.

For policies issued in NY, grace periods on policies with premiums due on or before June 1, 2020 are being extended to 90 days for policyholders demonstrating a financial hardship.

For policies for which premiums are paid via pre-authorized recurring payments, we will continue to process drafts and EFTs until instructed otherwise by the policyholder, or payments are rejected, at which point the policy will be paced on direct bill and handled as described above. Clients who wish to cancel automatic premium payments should be directed to contact us to do so.

This is an extension of time to pay premiums due, not a waiver of premium. Policyholders are expected to catch up on due and unpaid premiums once the accommodation period ends. We are currently reviewing exactly how that process will work. Should a death claim be made before due and unpaid premiums are paid in full, any premium due and owing will be subtracted from the death benefit proceeds.

Our accommodation policy includes all policies that had not lapsed prior to the applicable state of emergency or other time period set by the state. The policy does not apply to new business.

To request a hardship accommodation, customers should be instructed to visit <http://www.prosperitylife.com/contact>, or send an email with an explanation of their circumstances to customercare@prosperitylife.com (enter "COVID-19" in the subject line). These will be routed to specialists we have assigned to these requests. They may also contact us Monday through Friday from 9:00 a.m. to 5:00 p.m. ET at 877-725-4872, but call response times may be delayed.

Regarding **commissions**, policies for which a temporary premium deferral accommodation has been made will be suspended in the system. Renewal commissions will not be paid until the premium is actually received. For advanced commissions, the advance balance will remain outstanding until premium is received.