



March 17, 2020

The impact of COVID-19 is a rapidly evolving situation. Multiple states have now ordered the temporary shutdown of on-site drinking and dining for bars and restaurants. On Friday, March 13, 2020, we sent the bulletin below to address questions of coverage. The recent events do not change that position.

However, as a specialty carrier that is uniquely committed to the food and beverage industry, we recognize the impact these shutdowns are having on our customers. **Therefore, we are announcing a suspension of all premium billing for 30 days, beginning March 20, 2020.** We have issued a press release this morning and will be mailing a Notice to Policyholders (both documents can be found below). Workers compensation audits will be suspended during this time frame as well. Please note: Despite the suspension of direct bill, down payments for new business are still required.

Here are a few scenarios to help explain the way this will work:

Scenario 1

Policy A effective 2/01/2020 with policy premium of \$1,200 on the 25/9 payment plan. 25% down payment (\$300) was paid 2/01/2020. Each installment is \$100 due on the first of every month from March to November. The April installment of \$100 is deferred and will be divided among the remaining installments. This changes all future installments from May to November to \$114.29 (\$800 policy balance divided by seven remaining installments).

Scenario 2

Policy B renews effective 4/01/2020 with policy premium of \$1,200 on the 25/9 payment plan. The 25% down payment of \$300 is due during the moratorium. If the insured opts to not make the renewal down payment, then the \$300 is spread out in the remaining nine installments. The monthly payment will go from \$100 to roughly \$133.33.

Scenario 3

Policy C renews effective 5/01/2020 with policy premium of \$1,200 on the 16/10 continuous payment plan. The 16.66% down payment is split into two halves due 4/01/2020 and 5/01/2020, however the first half is due during the moratorium. If the insured elects to skip the April payment then the full 16.66% or roughly \$199.92 will be due on 5/01/2020.

There are many possible scenarios. These three examples are solely for illustration purposes to share how the 'skipped' payment will affect future installments/down payments.

For businesses that suffer a significant loss of annual sales revenue, we are willing to process a mid-term adjustment to projected sales. Underwriting will require a 12-month verification of prior year sales that is generated from the client's Point of Sale (POS) system or by their accountant, along with the requested revision to annual sales.



Also, as a reminder for your clients who may begin delivery, our BOP liability coverage form includes Hired and Non-Owned Auto coverage for no additional charge but excludes delivery of food and drink. **Coverage is available by endorsement to add delivery.** Those requests should be submitted to your Underwriting Team for evaluation and pricing.

Suspending billing is an unprecedented process for us to undertake in a very tight timeframe. Invariably, there may be situations that arise which are not anticipated and may not fit the process. We are asking you, our Agents, to be our Partners as we work together to resolve any issues. Our staff will be available to answer questions and assist our customers in any way they can.

Please contact Marcy Sturgill, Policy Services Manager, at MarcyS@ilcasco.com or (309) 732-0164, if you have any billing questions.

Thank you,

A handwritten signature in cursive script, appearing to read "Arron K. Sutherland".

Arron K. Sutherland
President/CEO



March 13, 2020

Illinois Casualty Company (ICC) is aware of the increasing concern from our agents and policyholders over the impact that COVID-19 may have on business operations. Due to concerns about public activities, consumers may choose to reduce their on-premises dining habits. This could result in reduced sales revenues for restaurants and taverns.

Business Income coverage requires direct physical loss or damage by a covered cause of loss. Unless a city or governmental agency prohibits access to an insured location because of direct physical loss or damage to another's property from a covered cause of loss, the civil authority coverage would not be triggered. A general quarantine because of illness or suspected illness would not trigger the coverage.

Food Contamination coverage is only triggered when a governmental agency, like a Board of Health, shuts down an insured's operation because of the discovery or suspicion of food contamination. The information we have on COVID-19 is that it is not a food-borne illness, but rather one that is spread through human contact. Therefore, any shutdown resulting from a response to a known or potential COVID-19 outbreak would not trigger the Food Contamination coverage.

As with any potential claim, coverage depends on the facts that are unique to that particular incident and specifically to workers compensation, subject to governing statutes.

As consumers restrict their public exposure, we anticipate an increase in the demand for food take-out and delivery. For some businesses, this may be a new activity. ICC provides coverage by endorsement for **Non-Owned Auto with Delivery**, either by employees or a third-party delivery service. Contact your ICC Agent for more information about this coverage.

Resources are available for business owners in the food and beverage industry on the [National Restaurant Association website](#).

Thank you,

A handwritten signature in black ink, appearing to read 'Arron K. Sutherland'.

Arron K. Sutherland
President/CEO



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Insurance Carrier Temporarily Suspends Billing to Restaurants and Taverns Amid Growing COVID-19 Closings

FOR IMMEDIATE RELEASE: 3/17/2020

ROCK ISLAND, IL – Illinois Casualty Company (ICC), a wholly owned subsidiary of ICC Holdings, Inc. (Company) will temporarily suspend all insurance premium billing for 30 days beginning Friday, March 20, 2020. This is in response to growing COVID-19 concerns and closings that will affect the food and beverage industry.

ICC customers represent one of the first and hardest hit businesses resulting from statewide government-ordered shutdowns from COVID-19. ICC is a regional insurance carrier based in Rock Island, Illinois, and has specialized in insuring the restaurant and tavern industry since 1950. Many policyholders are small business owners who are experiencing a significant negative financial impact.

Arron Sutherland, ICC’s President and CEO added, “At ICC, we value our customers and the important service that they provide the community. I hope that this measure helps to ease their financial burden in some small way during this difficult and turbulent time.”

Furthermore, ICC’s corporate headquarters remains open to provide customers with continued services with the least amount of disruption possible. ICC places the highest priority on providing a safe work environment for our employees and has taken steps to protect, and offer services to, employees. As ICC continues to monitor this complex and rapidly evolving situation, its plans may change.

ICC does not believe that taking this action will be material as the policyholder payments are simply being deferred. It is believed that the Company’s financial position continues to be strong and has substantial liquidity with approximately \$94 million of fixed income investment securities as of March 13, 2020. Additionally, the Company has access to existing credit facilities to cover short-term liquidity requirements and anticipated operational needs in the foreseeable future.

Illinois Casualty Company

ICC was founded in Rock Island, Illinois in 1950 to provide insurance products and aggressive claims defense exclusively for the food and beverage industry. Today, we are an admitted carrier in eleven states: Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Ohio, Pennsylvania and Wisconsin. ICC Holdings, Inc., ICC's parent company, is publicly traded on the NASDAQ (NASDAQ: ICCH). We recognize that establishments serving alcohol require unique insurance protection. Our coverage options include liquor liability, property, general liability, umbrella, workers' compensation, cyber liability, and employment related practices liability. ICC is the exclusively endorsed insurance provider by the Illinois Licensed Beverage Association, Minnesota Licensed Beverage Association, Hospitality Business Alliance, Indiana Restaurant and Lodging Association, Ohio Licensed Beverage Association, and the Tavern League of Colorado.

FORWARD-LOOKING STATEMENTS

This press release, and oral statements made regarding the subjects of this release, contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, or the Reform Act, which may include, but are not limited to, statements regarding the Company's, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts, including statements identified by words such as "believe," "plan," "seek," "expect," "intend," "estimate," "anticipate," "will," and similar expressions. All statements addressing operating performance, events, or developments that the Company expects or anticipates will occur in the future, including statements relating to revenue and profit growth, product and segment expansion, regulatory approval in connection with expansion, and market share, as well as statements expressing optimism or pessimism about future operating results, are forward-looking statements within the meaning of the Reform Act. The forward-looking statements are based on management's current views and assumptions regarding future events and operating performance, and are inherently subject to significant business, economic, and competitive uncertainties and contingencies and changes in circumstances, many of which are beyond the Company's control. Potential risks and uncertainties also include those relating to the ultimate geographic spread of the novel coronavirus, the severity of the disease, the duration of the COVID-19 outbreak, and actions that may be taken by governmental authorities to contain the outbreak or to treat its impact. The statements in this press release are made as of the date of this press release, even if subsequently made available by the Company on its website or otherwise. The Company does not undertake any obligation to update or revise these statements to reflect events or circumstances occurring after the date of this press release.

Although the Company does not make forward-looking statements unless it believes it has a reasonable basis for doing so, the Company cannot guarantee their accuracy. The foregoing factors, among others, could cause actual results to differ materially from those described in these forward-looking statements. For a list of other factors which could affect the Company's results, see the Company's filings with the Securities and Exchange Commission, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," including "Forward-Looking Information," set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. No undue reliance should be placed on any forward-looking statements.

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March 18, 2020

TEMPORARY SUSPENSION OF PREMIUM PAYMENTS

In recognition of the sudden and unexpected interruption in your business due to shutdowns resulting from COVID-19, you will not be receiving your normal monthly billing from Illinois Casualty Company from March 20, 2020 until April 20, 2020.

ICC has suspended all premium payments due from March 20, 2020 until April 20, 2020. Per ICC President and CEO Arron Sutherland "At ICC we value our customers and the important service that they provide the community. I hope that this measure helps to ease their financial burden in some small way during this difficult and turbulent time."

- Your normal monthly bill will be deferred and spread over the remaining billing periods
- We will not be processing cancellations for nonpayment of premium during this time period
- If you would like to continue to make your payment on schedule, a payment using a checking or savings account can be made free of charge by utilizing the following:
 - Website - www.ilcasco.com - select Make a Payment
 - Mobile App - *ICC2Go* available on the App Store and Google Play - select Make a Payment
 - Phone - Integrated Voice Response (IVR) System - (855) PAY-2-ICC (729-2422)
- Scheduled Automatic Clearing House (ACH) payments will not be pulled from your account during this time period

Example:

Policy A is effective 2/01/2020 with policy premium of \$1,200 on the 25/9 payment plan. 25% down payment (\$300) was paid 2/01/2020. Each installment is \$100 due on the first of every month from March to November. The April payment is not required or submitted. The April payment will be divided among the future installments from May to November, estimated to be \$114.29 (\$800 policy balance divided by seven remaining installments).

There are several scenarios that can occur during this 30-day moratorium. The above example is for illustration purposes only to show how the 'skipped' payment will affect future installments/down payments.

If you wish to discuss a billing related question, please call (800) 445-3726, then press 3 or email Billing@ilcasco.com.

We appreciate your business!