

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

BULLETIN NO. 10-2013

DATE: April 15, 2013

TO: ALL LICENSED PROPERTY AND CASUALTY INSURERS, ALL ADVISORY ORGANIZATIONS, THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: CLAIMS-MADE POLICIES

The purpose of this bulletin is to inform all insurers licensed and authorized to write commercial insurance coverage in this state of the requirements of Arkansas law for disclosure upon "claims-made" policy forms and both the automatic and optional extended reporting periods upon cancellation or termination of the policy.

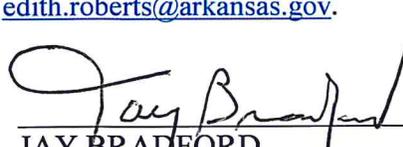
Under Ark. Code Ann. § 23-79-306(1), the claims-made policy application and the initial page of each claims-made policy must include a conspicuous notice at the top indicating that the contract is a claims-made policy. The claims-made notice and insuring agreement must include the following language, or similar language:

This coverage is limited to claims first made and reported to the Company during the policy period as stated in the Declarations or any applicable Extended Reporting Period.

The required notice also serves to clarify the intent of Ark. Code Ann. § 23-79-306(2) – (3), which allows for claims to be made and reported during both the statutorily provided automatic sixty-day extended reported period, which begins upon cancellation or termination of the policy by either the insured or insurer, and the optional extended reporting period obtained through a purchased endorsement.

Failure to comply with Ark. Code Ann. § 23-79-306 is a violation of the Arkansas Insurance Code. Claims-made policy forms submitted to the Department without the appropriate disclosure notice are subject to disapproval upon examination by the Department.

Questions concerning this Bulletin may be directed to Edith Roberts, Property & Casualty Compliance Officer, Arkansas Insurance Department, Compliance Division, at (501) 371-2808 or by e-mail at edith.roberts@arkansas.gov.



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STATE OF ARKANSAS



DATE