

Arkansas Insurance Department

Mike Beebe
Governor



Julie Benafield Bowman
Commissioner

DIRECTIVE: 1-2007

TO: ALL PROPERTY & CASUALTY CARRIERS

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: HANDLING OF OCCUPANCY REQUIREMENTS FOR DEPLOYED ARMED SERVICES PERSONNEL

DATE: JULY 10, 2007

The Arkansas Insurance Department ("Department") issues this Directive to property and casualty carriers issuing policies containing "occupancy" requirements in its underwriting standards which may adversely impact insurance coverage protection afforded to members of the Armed Services who are deployed outside of Arkansas for Armed Services duties. With many homeowner and personal property policies containing exclusions for vacant or unoccupied property, the potential exists for Armed Services personnel to be penalized in the underwriting or claims process for situations beyond their control.

The Department advises all property and casualty carriers to review Department Directive 1A-2004, entitled "Cancellations, Nonrenewals and Discriminatory Underwriting Practices for Property and Casualty Carriers." The Department stated as follows in paragraph 6 of Directive 1A-2004: "6. Insurers should not cancel or non-renew any property and casualty insurance policy solely because the policyholder (a) has attained the age of 65 or older; (b) is physically impaired, provided the automobile is equipped with compensating devices; or (c) is a member on active duty in the Armed Forces. Ark. Code Ann. § 23-66-206(14); 50 App. U.S.C.A. § 501, *et seq.* (emphasis added).

It is important that members of the Armed Services who enlist in, or return from, active duty are not penalized by their insurance companies for the period of time in which they have put themselves in harm's way for the service of our country. As Insurance Commissioner, I expect that underwriting or rating requirements related to occupancy will be waived for members of our Armed Services if the insured is deployed outside of this State due to military service. These men and women who have risked their lives in service to our country should not be penalized for their services.

The Department advises that it will interpret a cancellation or refusal to underwrite property insurance for the dwelling of an insured in the Armed Services due to a lack of occupancy as a violation of paragraph 6 of Directive 1A-2004 if the insured is deployed outside of this State due to military service. You are hereby directed to review underwriting and claims procedures and it is recommended that you waive occupancy requirements for deployed Armed Services personnel.

If you have questions or need additional information, contact the Arkansas Insurance Department, Legal Division, at 1200 West Third, Little Rock, Arkansas, or at (501) 371-2820, or call toll free at 1-800-282-9134.

(signed by Julie Benafield Bowman)

JULIE BENAFIELD BOWMAN
ARKANSAS INSURANCE COMMISSIONER
July 10, 2007

DATE