

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

May 7, 2014

BULLETIN NO. 10-2014

TO: ALL INSURANCE CARRIERS DOING BUSINESS IN THIS STATE

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: STORMS OF APRIL 27, 2014

During the month of April, many Arkansans suffered significant losses due to severe thunderstorms and tornadoes. As a result of these damaging storms, Governor Mike Beebe has requested a major disaster declaration for Arkansas counties impacted by severe storms, tornadoes and floods beginning April 27, 2014.

To assist Arkansans struggling to overcome these obstacles, the Arkansas Insurance Department (Department) is hereby issuing a sixty (60) day moratorium on the cancellation/non-renewal of policies for the non-payment of premiums for Arkansans residing in storm impacted areas. This moratorium shall apply to all insurance policies issued in this state.

This moratorium extension is not automatic; to be eligible for the 60 day moratorium, interested policyholders must request this extension from their insurance carriers and must have suffered significant property damage, injuries or related loss of life as a result of the storms of April 27, 2014. Insurers are encouraged to contact their policyholders in the affected areas and work with them in providing relief under this moratorium. The 60 day moratorium period, where requested by the policyholder, shall commence effective April 27, 2014.

Policyholders are advised that this moratorium is not a waiver; it is only an extension or grace period in which to pay premiums. Insurers are directed to work with affected policyholders in paying the premiums that become due during the moratorium period by either allowing a payment plan or a further extension of the due date for the amount in full.

This moratorium applies only to cancellation or non-renewals attributed to a failure to pay premiums during the applicable 60 day period. If a policy is to be cancelled or non-renewed for any other allowable reason, the cancellation or non-renewal may be made pursuant to statutory notice requirements and for legally recognized reasons. However, the Department requests that insurance companies take into consideration that persons in the affected by the storm may be unable to receive a notice of cancellation or non-renewal due to evacuation or delayed postal and electronic delivery service in those areas.

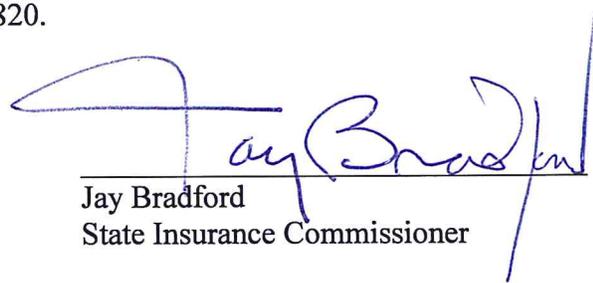
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For those policies with an abd/eft arrangement, the Department is aware that the policyholder must contact their financial institution for these payments to cease. Therefore, the insurance company may continue deducting those premiums unless the policyholder contacts the insurance company, requests that such temporarily cease, and the policyholder contacts their financial institution and requests that this arrangement temporarily cease.

The Department also reminds that unlicensed public adjusting is illegal in the State of Arkansas. In the aftermath of a catastrophic event in the state, insurance companies assign adjusters to process claims. Any instance of a person or entity operating without an adjuster's license issued by the Department, or employed by insurer, or seeking compensation from an insured for providing the insured adjusting services who is not a licensed attorney should be reported to the Arkansas Insurance Department at 501-371-2820.



Jay Bradford
State Insurance Commissioner