

# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

May 30, 2019

**BULLETIN NO. 4-2019**

**TO: ALL INSURANCE CARRIERS DOING BUSINESS IN THIS STATE**

**FROM: ARKANSAS INSURANCE DEPARTMENT**

**SUBJECT: STORMS AND FLOODING BEGINNING MAY 21, 2019**

The Insurance Commissioner is issuing this Bulletin to assist consumers, individuals, and entities regulated by the Arkansas Insurance Department as they deal with exigencies caused by the recent storms.

Due to severe storms and flooding that began May 21, 2019, and continuing, with the expectation that severe flooding of historic proportion will likely result, Governor Asa Hutchinson has issued Executive Order 19-05 declaring a state of emergency. This severe weather has disrupted the lives of many Arkansans through evacuations and the loss of basic services. The number of affected areas is expected to increase due to continued flooding.

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 affected 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 and flooding that began May 21, 2019. 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 May 21, 2019.

**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 areas affected 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.

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 reiterates 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.



ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

**May 29, 2019**

Date