

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

March 27, 2020

BULLETIN NO. 12-2020

TO: ALL ADMITTED AND SURPLUS LINES INSURANCE CARRIERS DOING BUSINESS IN THIS STATE, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: CANCELLATION MORATORIUM FOR EMPLOYMENT DISRUPTION

The Arkansas Insurance Commissioner is issuing this Bulletin to assist Arkansas citizens who have experienced a disruption in employment, as well as individuals and entities regulated by the Arkansas Insurance Department as they deal with urgent needs caused by the occurrence of the COVID-19 virus in Arkansas.

The Arkansas Insurance Department is committed to assisting its fellow state agencies, local health departments, emergency managers, and health care providers in providing for the health and welfare of the people of Arkansas.

On March 11, 2020, Governor Asa Hutchinson issued Executive Order 20-03 declaring a statewide state of emergency in response to the outbreak of the COVID-19 virus among Arkansans. The Order may impact various insurance regulatory statutes so that the Department may effectively render maximum assistance to overcome any potential impediment to the rapid and orderly rendering of assistance to our citizens affected by the virus.

MORATORIUM AGAINST CANCELLATION

To assist all Arkansas citizens who may struggle to overcome obstacles during this health emergency, the Commissioner is **issuing a 60-day moratorium on the cancellation/non-renewal of personal lines insurance policies** and **directs all insurers and regulated entities** that personal lines insurance policies for Arkansas residents in effect on March 11, 2020 remain in effect until such time as Executive Order 20-03 expires.

Insurers are directed not to cancel, non-renew, or terminate coverage for non-payment of premiums while this Bulletin is in effect.

This moratorium applies to Arkansas residents who, subsequent to the date of issuance of Executive Order 20-03 and as a consequence of the COVID-19 health emergency, have been terminated, laid off, or who

are self-employed or an independent contractor and have experienced a cessation of work. Citizens who apply for unemployment benefits as a result of the health emergency and are approved are presumptively subject to this moratorium.

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 extension is not automatic. To be eligible for the 60-day moratorium, affected policyholders must request this extension from their insurance carriers.

Insurance carriers may request evidence of employment disruption.

This moratorium applies only to cancellation or non-renewals attributed to a failure to pay premiums during the applicable period of Executive Order 20-03.

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.

For those policies with an automatic bank draft or electronic funds transfer 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 and their financial institution to request that such an automatic bank draft or electronic funds transfer arrangement cease.

Any questions regarding this Bulletin should be directed to insurance.consumers@arkansas.gov at the Arkansas Insurance Department or by phone at 501-371-2600.



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS

March 27, 2020
DATE