

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

May 5, 2011

BULLETIN NO. 4-2011 Amendment

TO: ALL INSURANCE CARRIERS DOING BUSINESS IN THIS STATE

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: PREMIUM MORATORIUM FOR POLICYHOLDERS IN IMPACTED AREAS

THIS BULLETIN REPLACES AID BULLETIN NO. 4-2011

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 a majority of Arkansas counties impacted (<http://governor.arkansas.gov/newsroom/index.php>) by severe storms, tornadoes and floods beginning April 14, 2011.

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 14, 2011 through April 27, 2011. Likewise, insurers are encouraged to contact their policyholders in the impacted areas and to work with them in providing relief under the moratorium where the circumstances so justify. The 60 day moratorium period, where requested by the policyholder, shall commence from the date policyholder damage was incurred.

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 impacted policyholders in repaying the premiums that would have become due during the moratorium period by either allowing a repayment plan or a further extension in repaying the amount in full.

This moratorium applies only to cancellation/non-renewals that are 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. However, the Department requests that insurance companies take into

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consideration that persons in the heavily impacted areas may be unable to receive a notice of cancellation or non-renewal due to evacuation or delayed postal service in that area.

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.


Jay Bradford
State Insurance Commissioner