

MARKET BULLETIN

From	Worldwide Markets Compliance (extn 6677)
Date	12 September 2005
Reference	Y3627
Subject	Hurricane Katrina: new regulatory requirements in Alabama and Louisiana
Subject areas	Alabama and Louisiana insurance policies with claims arising from Hurricane Katrina
Attachments	"Extension of Grace Period" Bulletin issued by Alabama Department of Insurance Memo requesting aggregated claims data issued by Louisiana Department of Insurance
Action points	Managing agents and Lloyd's brokers to note new requirements and to respond appropriately
Deadlines	Alabama "Extension of Grace" Bulletin: applies to actions due to be performed on or after 29 August 2005 and expires after 29 October 2005 Louisiana reporting requirement: first report due by 30 September 2005

Purpose of bulletin

To inform the market of new regulatory requirements in Alabama and Louisiana, following Hurricane Katrina.

Alabama Bulletins

The Alabama Department of Insurance has issued two new Bulletins:

"Extension of Grace Period", dated 8 September, 2005

This Bulletin is attached. It was issued to property and casualty insurers, life, health and disability insurers and insurance premium finance companies. Its fourth paragraph refers to time limits applying to insureds who are victims of hurricane damage, by which insurers were requiring them to "...perform any act or transmit information or funds with respect to an insurance contract...". If an act was due to be performed on or after 29 August, 2005, the time limit is extended to Saturday 29 October, 2005, i.e. by 60 days.

This Bulletin means that consumers with Katrina-related claims cannot have their policies cancelled due to non-payment of premiums, until the extended time period has concluded. It does not apply to policies issued on or after 29 August, 2005.

“Health insurance”, dated 9 September 2005

This Bulletin is addressed to: *“All Health Insurance Insurers, Health Maintenance Organizations, Preferred Provider Organizations, Managed Care Organisations and any other health insurance entities doing business in Alabama and/or regulated by the Commissioner of Insurance and the Alabama Department of Insurance”.*

This Bulletin may be accessed through this link: <http://www.aldoi.org/PDF/Legal/2005-09-09-KatrinaHealthBulletin.pdf>. It sets out provisions applicable to health insurance, because of the numbers of people residing in temporary quarters in Alabama due to evacuation orders in Alabama and other states.

Louisiana request for claims data

The Louisiana Commissioner of Insurance has issued a request for aggregated claims data, to property and casualty insurers (admitted and non-admitted) doing business in Louisiana. A copy of the request is attached and may also be accessed through the Louisiana Department of Insurance (“the Louisiana Department”) website at this address: <http://www.lidi.state.la.us/DataCallPage.htm>.

Lloyd’s is seeking to clarify whether the Louisiana Department will accept reports submitted from Lloyd’s centrally, based on available claims data. We will provide further information on compliance with this request in due course, and, in the meantime, managing agents should consider how they will ensure compliance.

Further information

If you have any queries about this market bulletin, please contact Lloyd’s Worldwide Market Services:

Lloyd’s Worldwide Market Services
Tel: 020 7327 6677
Email: market.services@lloyds.com
Box 190b, Gallery 1

This market bulletin has been sent to active underwriters and the compliance officers of managing agents and Lloyd’s brokers.

Julian James
Director,
Worldwide Markets



**BOB RILEY
GOVERNOR**

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BULLETIN

TO: All Insurers and Insurance Premium Finance Companies Licensed in Alabama
FROM: Walter A. Bell, Commissioner of Insurance
DATE: September 8, 2005
RE: Extension of Grace Period

On August 28, 2005, Governor Bob Riley declared the existence of a state of emergency within the state of Alabama regarding Hurricane Katrina. On several occasions since that date I have personally toured various sites in Mobile and Baldwin Counties and have received reports from other sites in the state. Clearly, we are facing a another great challenge to our state with the effects of Hurricane Katrina.

Thousands of Alabama families and businesses have suffered damages due to the hurricane. In some places, it could be weeks before electricity is restored. Many citizens' homes and businesses were destroyed, precluding the delivery of mail. The situation has created a mass disruption to the normalcy we previously enjoyed.

In the ordinary course of business, insurance companies and premium finance companies send notices to insureds, many of which are required by statute, giving the insured certain limited periods of time within which to pay premium or otherwise respond. Because of the storm damage, disruption of mail and the inability of many of the insureds to stay in their homes, many storm victims are currently unable to timely act or respond and need additional time within which to act in response to these notices.

In light of this, I hereby issue this directive to all property and casualty insurers, all life, health, and disability insurers, and all insurance premium finance companies licensed in Alabama. As to any insurance policy provision, notice, correspondence or law which imposes a time limit upon an insured who is a victim of hurricane damage to perform any act or transmit information or funds with respect to such an insurance contract, which act was to have been performed on or after August 29, 2005, the time limit shall be extended to and including October 29, 2005. This extension of time shall not relieve a policyholder who has a claim from Hurricane Katrina from compliance with the policyholder's obligations to provide information and cooperate in the claim adjustment process relative to the property damage. No interest, penalties, or other charges, shall accrue or be assessed, as the result of the extensions required herein. Interest owed pursuant to premium financing plans with premium finance companies or insurers or their affiliates may be assessed. Any insurer receiving a claim from an insured owing premium may offset the premium due to the insurer or a premium finance company from any claim payment made under the policy.

This directive shall not apply to new policies issued on or after August 29, 2005.



Louisiana Department of Insurance



Insurers: Please ignore if you have already received and acted upon the request below.

REQUESTING YOUR IMMEDIATE ATTENTION AND ASSISTANCE.

PLEASE ALERT THE APPROPRIATE PERSON(S) TO COMPLETE THE FOLLOWING FORM.

Click [here](#) to download the template.

TO: All Property & Casualty Insurers doing business in Louisiana (Admitted and Non-Admitted)

RE: Hurricane Katrina Loss Data

Return the Completed Claims Survey according to schedule below.

The Commissioner has the authority to review and examine the records of every insurance company doing business in Louisiana. In light of the devastation of Hurricane Katrina, Commissioner Wooley has determined that such an examination/investigation of claims data is necessary. Therefore, in accordance with LRS 22:2A; 22:987(6); 22:1215; and 22:1262.1 we are requesting that you respond to the survey and supply aggregated claim data according to the following schedule:

Evaluation Date of Hurricane Loss Information:	Report (Worksheet) To Be Sent to the DOI No Later Than:
9/15/2005	9/30/2005
9/30/2005	10/15/2005
10/15/2005	10/31/2005
10/31/2005	11/30/2005
11/30/2005	12/15/2005
12/31/2005	1/15/2006
3/31/2006	4/15/2006
6/30/2006	7/15/2006

Please note that an individual company's information provided in this completed survey will be held confidential and will not be disclosed. The information collected in this survey is exempted under Louisiana's Public Records Act (L.R.S. 44§4(3) and L.R.S. 49§956(8)).

For this survey, we need data concerning losses from ALL companies in your group writing business in Louisiana during Hurricane Katrina (August 29, 2005). The spreadsheet attached to this notice consists of: (1) Instructions describing specific, detailed requirements relative to completion of the hurricane data survey (see the first worksheet of the attached template), and

(2) A special data survey created by our actuarial services department by which you will supply your company data to the Department of Insurance electronically (also referred to as the "template," with

worksheets for each requested hurricane loss evaluation date).

Return the [Completed Survey](#) electronically and NO LATER THAN the dates specified above to:

Dan Davis, Senior Actuary
Louisiana Department of Insurance Actuarial Services
(225) 342-4699
ddavis@ldi.state.la.us

Direct your questions to:

Dan Davis, or

Rich Piazza
Chief Actuary Louisiana Department of Insurance Actuarial Services
(225) 342-4689
rpiazza@ldi.state.la.us

Thank you for your continued support and valuable assistance.