

Indiana Department of Insurance

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Bulletin 241

POLICY CANCELLATION MORATORIUM

Due to the recent severe storms, torrential rains, and subsequent flooding beginning on February 15, 2018, and lasting through February 25, 2018, ("Disaster Events") that resulted in significant property damage in Benton, Carroll, Clark, Crawford, Dearborn, Elkhart, Floyd, Fulton, Harrison, Jasper, Jefferson, Lake, Marshall, Ohio, Perry, Pulaski, Spencer, St. Joseph, Starke, Switzerland, Warrick, and White counties ("Impacted Areas"*), the Indiana Department of Insurance is calling on all insurance companies to implement the following extensions and/or grace periods in the administration of all lines of insurance policies:

A 60-day moratorium for cancellation of any insurance policy in effect for any policyholder directly affected by the Disaster Events residing within the Impacted Areas, and a suspension of any penalty attached to late payment therein.

This moratorium is not a waiver; it is only an extension of the period in which to pay the premium. After the 60 days, the policyholder will have to resume making premium payments. The Department requests insurance companies work with the impacted policyholders in paying the premiums that would have become due during the moratorium period by either allowing a payment plan or a further extension in paying the amount due in full.


The moratorium applies only to cancellations/non-renewals attributed to a failure to pay premiums directly as a result of the Disaster Events during the 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 the statutory notice requirements. However, the Department would request insurance companies take into consideration that persons in the heavily Impacted Areas may be unable to receive notice of cancellation or non-renewal due to evacuation or delayed postal service in that area.

This moratorium will last 60 days, and the Department may request an extension of this moratorium if an extension is deemed appropriate. This moratorium will take effect the date of issuance of this Bulletin. The Department expects insurers to apply this moratorium retroactively to the day before the Disaster Events occurred in each Impacted Area.

In addition, the Department will modify its own internal policies by implementing a 60-day grace period relating to renewal and cancellations for all licensees, certificate holders and registrants from the Impacted Areas. This includes premium tax and surplus lines premium tax filings. Any penalties assessed due to late payment during this period will be waived. The 60-day extension will also be applied to the Continuing Education requirements to those producers from Impacted Areas.

The Department, recognizing the potential displacement of personnel and documents, will accept temporary address changes at no fee either electronically through Sircon.com or NIPR.com, faxed to (317) 234-5882, or by phone to (317) 232-5881. The duplicate license fee of \$10.00 for producers from Impacted Areas will be waived during this 60-day period. The Department stands ready to help rebuild damaged and destroyed essential insurance files by allowing copying of its own records without charge for those in Impacted Areas directly affected by the Disaster Events.

INDIANA DEPARTMENT OF INSURANCE


Stephen W. Robertson, Insurance Commissioner

* Because of the breadth of the storms, torrential rains, and subsequent flooding, the implementation of this moratorium should also be considered on a case-by-case basis in unnamed counties.