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BULLETIN NO. 2020-20

TO: All Insurers and Insurance Premium Finance Companies Licensed in Alabama

FROM: Jim L. Ridling
Commissioner of Insurance *JLR*

DATE: November 9, 2020

RE: Extension of Grace Period

EFFECTIVE: Immediate

Governor Kay Ivey declared the existence of a state of emergency within the state of Alabama regarding Tropical Storm Zeta on October 27, 2020. Thousands of Alabama families have suffered damages due to the storm. Many citizens' homes were destroyed or severely damaged and many were without electric power for days. Residential mail service has been interrupted in various locations. The situation has created a mass disruption to the normalcy we previously enjoyed.

Insurance companies and premium finance companies ordinarily 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.

Consequently, 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. 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 October 28, 2020, the time limit shall be extended to and including December 28, 2020. 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 extension of time shall not relieve a policyholder who has a claim from Tropical Storm Zeta from compliance with the policyholder's obligations to provide information and cooperate in the claim adjustment process relative to the property damage.

Insurers should consider cancellation or non-renewal of policies only after exhausting all efforts to work with policyholders to continue coverage. A policy may be cancelled or non-renewed for legally recognized reasons or policy provisions other than late or failure to pay premiums.

Affected policyholders should notify their insurance carrier or producer to explain their individual situation and difficulties complying with payment schedules. Please check the Alabama Department of Insurance web site for possible future updates: www.aldoi.gov.

Questions concerning this Bulletin should be directed to:

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This bulletin shall not apply to new policies issued on or after October 29, 2020.

JLR/JW/RN/ct