

BULLETIN NO. PC 2014-03-1

(Revised January 2, 2015)

**TO: ALL PROPERTY & CASUALTY INSURERS LICENSED IN THE
STATE OF OKLAHOMA (collectively, "addressees")
ALL RATING AND ADVISORY ORGANIZATIONS
ALL JOINT UNDERWRITING ASSOCIATIONS
Attention: State Filing Division**

RE: DISASTER PLANNING, PREPAREDNESS AND RESPONSE

FROM: John D. Doak, Insurance Commissioner

ISSUE DATE: December 2, 2014 (REVISED 01/02/15)

PURPOSE OF REVISION: Confidentiality of pre-disaster data.

DISASTER ACTION BULLETIN PART 1

Summary

1. This bulletin sets forth the standards expected of all addressees noted above in planning and preparing for, and responding to, disasters in Oklahoma. To that end, this bulletin describes the role of the **Oklahoma Disaster Coalition** and the organization and operation of the **Insurance Emergency Operations Center ("IEOC")**.
2. The bulletin also describes the data reports and plans that various property/casualty insurers are expected to provide, upon request, to the Oklahoma Insurance Commissioner ("Commissioner" or "Insurance Department") before a disaster strikes, so that the Department can assist in organizing the industry response to a disaster.
3. The bulletin also describes the part played by insurance company **Disaster Liaisons** in assisting the Department in coordinating the response and providing the Department with requested information. The bulletin describes various processes regarding collection of Pre- Loss Data and Loss Statistics as well as a package of regulatory tools designed to (a) protect victims, (b) streamline the response of the insurance industry to a disaster and (c) improve the quality of information available to all stakeholders during an event.
4. As used herein, "disaster" and "catastrophe" may be used interchangeably.

A. Content of Bulletin

The following table sets forth the topics covered in this bulletin.

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B. The Oklahoma Insurance Disaster Coalition and Insurance Emergency Operations Center

When an emergency or disaster occurs, the Department provides the Governor and the Oklahoma Department of Emergency Management (“OEM”), with critical information regarding the number and extent of property losses, as well as other damage assessments. Based on this information, the Governor determines whether and when to issue a disaster declaration or to request a federal disaster declaration and how to prioritize the deployment of state assets.

The insurance community, including the property, life, and health sectors, has been identified as a key resource in providing early assessments of damages arising from natural or man-made disasters. Insurers play an important role in quantifying the magnitude of losses, both insured and uninsured and in determining both the degree and duration of insurer response to losses. Accordingly, all entities to which this bulletin is directed are members of **The Oklahoma Insurance Disaster Coalition (“IDC”)** and are expected, as such, to assist the Insurance Department in obtaining necessary information before, during, and after disasters strike.

An integral part of the Insurance Disaster Coalition’s response to any disaster is the **Insurance Emergency Operations Center (“IEOC”)**, which will be staffed by selected insurance industry disaster liaisons and representatives of the Department for the purpose of coordinating the IDC’s disaster response.

The IEOC will be activated at the direction of the Commissioner, in accordance with the nature and extent of the event. Where possible, this determination will be made in conjunction with the Department's disaster coalition partners. The IEOC will be activated for only the largest and most wide-spread disasters. In many cases, the Commissioner may require a more focused response involving selected insurers which have a major presence in the affected region.

C. Before a Disaster Strikes

C.1. Pre-disaster data/information survey

This section is addressed to all property/casualty insurers with Oklahoma direct written premium reported on their Annual Statements for any of the following lines:

- 01 Fire
- 02.1 Allied Lines
- 02.2 Multiple Peril Crop
- 02.3 Federal Flood
- 03 Farmowners Multiple Peril
- 04 Homeowners Multiple Peril
- 05.1 Commercial Multiple Peril (Non-Liability Portion)
- 12 Earthquake
- 21.1 Private passenger auto physical damage
- 21.2 Commercial auto physical damage

Accurate, timely and consistent information is of critical importance to state government during disasters. To ensure that insurance industry information is readily available during disasters, the Department requires, effective as of the date of this bulletin, that each property/casualty insurer provide to the Department a listing, by USPS Zip Code, of the following information:

Property exposure information, as of December 31, 2014, for personal lines (non-auto) and commercial lines (non-auto) for each authorized insurer within an insurance company group. Such information should be provided for the following categories:

- a. total building and contents insurance in force,
- b. total number of policies for the personal and commercial lines indicated above.

Vehicle exposure information, as of December 31, 2014, each authorized property/casualty insurer within an insurance company group is required to report the number of vehicles:

- a. covered by comprehensive insurance and
- b. the number of policies written containing vehicles covered by comprehensive insurance by county, for both private passenger and commercial auto.

The term “vehicle” is used in the broadest sense to include any vehicle written under the above-noted two lines of insurance and covered by comprehensive insurance. (A list of such vehicles would include but not be limited to automobiles, trucks, trailers, vans, motorcycles, and ATVs.)

The initial Pre-Disaster Data/Information Survey Report is due on March 1, 2015. Thereafter the Pre-Disaster Data/Information Survey Report is due annually on March 1, for exposures, as of the preceding year-end.

The Pre-Disaster Survey electronic template, and instructions for its completion and submission, can be found on the Department’s website at http://www.ok.gov/oid/Regulated_Entities/Financial/Market_Conduct_Regulation.html . Please note that the Pre-Disaster Survey must be submitted as an attachment via the Department's Portal Application.

Confidentiality

Supplied pre -disaster data is considered confidential data protected under Title 36, Oklahoma Statutes §§ [309.1](#) through [309.7](#), except when aggregated with data from all other insurers in a manner that does not permit any individual company or insured to be identified. Reporting, as required by this bulletin is subject to SEC rules preventing publicly traded companies from disclosing certain material information including claims data, until certain reports have been made to the SEC.

C.2. Disaster Response Planning

Each addressee of this bulletin should incorporate these Oklahoma State Insurance Disaster Coalition Procedures into its own disaster response plan. While each company should have a disaster response plan, the scope and required content of such plans are beyond the scope of this bulletin and references are for general guidance only. Since the Oklahoma State Insurance Disaster Coalition Procedures continue to be integral parts of the industry’s response to any disaster in Oklahoma, the submission of the pre-disaster data and each insurers’ internal preparation and regular testing of its disaster response plan are necessary to maintain the effectiveness and accuracy of information used by the Coalition in the event of a future disaster.

C. 3. Disaster Liaison Information

By March 1, 2015, the following disaster response information must be submitted to the Department via the Department Portal. Each comp any will provide the Department with the name of its designated disaster liaison and backup liaison, along with those person’s telephone and cell phone number(s) (for both business and after business

hours), e-mail address, and/or pager number, if applicable. Any change in contact information should be reported immediately to the Department. Contact Information may be submitted to the Department at Oklahoma Insurance Department, Five Corporate Plaza, 3625 N.W. 56th St., Oklahoma City, OK 73112 Attn: Disaster Response Coordinator.

C. 4. Business Continuity Planning

Each addressee is encouraged to develop and adopt a business continuity plan to reasonably ensure that the recovery of critical business processes will be addressed in the event of a disaster. While each company should have a business continuity plan, the scope and required content of such plans are beyond the scope of this bulletin and references are for general guidance only.

D. Operations During a Disaster

D.1 Disaster Liaisons

In the event of a catastrophe, the Commissioner may choose to activate the IEOC or instead may choose to only activate designated insurance company disaster liaisons representing several of the largest underwriters in the emergency or disaster area. Participating companies will be determined based on the previously described Pre-Disaster Reports. Disaster liaisons will be contacted based upon information submitted in the Disaster Response Plan Questionnaire. Subsequently, disaster liaisons should be prepared to participate in the State's Disaster Response Plan as follows:

- A teleconference of the selected disaster liaisons will be held, where possible, following the occurrence of a disaster – and prior to the decision to activate the Department's IEOC or other appropriate response – to discuss the magnitude of the disaster and the scope of activation plans.
- If the IEOC is activated, disaster liaisons or their designees will be expected to staff the IEOC at either the Department's offices in Oklahoma City or those in Tulsa or other location designated by the Commissioner.
- In the event that the Commissioner activates the IEOC, The Department will provide a fully-equipped facility for use by disaster liaisons at either of the aforementioned locations. Included are analog data and voice telephone lines, along with videoconferencing links to the OEM emergency operations center.
- The Department will continue to coordinate communications among company and association contacts through ongoing teleconference calls to: plan staffing of the IEOC for an actual or threatened emergency; individually discuss with each insurer's liaison the company's catastrophe operations and emerging issues.

D.2. Liaison Duties and Responsibilities

Insurance company disaster liaisons should:

- Have a qualified back up. Both persons preferably should be members of the entity's catastrophe team, or manager-level employees, who are familiar with company protocols and have access to critical information.
- Provide coverage data and loss statistics as required by this bulletin.
- Transmit information about the disaster from the insurance industry to emergency response officials and other industry representatives.
- Be knowledgeable about company internal information systems and sources and authorized to access such systems, so that applicable, timely information can be provided to the Oklahoma OEM, and other emergency responders via the Department.
- Be prepared to remain on duty during the hours when the IEOC is operating or as otherwise directed by the Commissioner, normally from 7:00 a.m. to 6:00 p.m., or for such time periods as necessary to assist with the effective management of the disaster. Depending on the level of the disaster, this may be a seven-day-per-week commitment.

D.3. Emergency Adjuster Permit

In the event of a catastrophe, the Commissioner may declare an emergency to exist, and in the event of such a declaration, the Commissioner may issue a temporary emergency adjuster permit to any resident or nonresident applicant. For details see Emergency Adjuster Permit Applications on-line at: www.ok.gov/oid/

E. After a Disaster

E.1 Post Disaster Coverage Data and Loss Statistics

After an emergency or disaster, the Department will contact disaster liaisons, as needed, who will be required to provide the Department with specific statistics about insured losses. These statistics will be periodically updated on an as-needed basis, but not less frequently than monthly. (See Disaster Action Bulletin – Part 2)

Reports will be consolidated by Department staff for submission to the Oklahoma OEM and the Governor's office. Property/casualty insurers should be prepared to submit reports covering the following:

- Commercial insurance data;
- Personal insurance data;
- Number of available adjusters;
- Other aspects of catastrophe claim operations and customer service issues; and
- Items deemed essential by the Commissioner as listed in Disaster Action Bulletin – Part 2

F. Conclusion

This bulletin endeavors to assist the property/casualty insurance industry in planning and preparing for, and responding to, disasters that may befall the citizens and policyholders of Oklahoma. Your cooperation in furnishing timely and accurate responses is essential to the success of the Oklahoma Insurance Disaster Coalition, and is appreciated by the Commissioner and the people of Oklahoma.

Questions concerning any aspect of this bulletin should be directed to the Oklahoma Insurance Department, Disaster Response Coordinator, by phone at (405) 521-2828, by mail to the Oklahoma Insurance Department, Five Corporate Plaza, 3625 N.W. 56th St., Oklahoma City, OK 73112 Attn: Chief of Market Regulation, Brian Gabbert or by e-mail to the Chief of Market Regulation, Brian Gabbert (brian.gabbert@oid.ok.gov).

Very truly yours,

John D. Doak, Insurance Commissioner