



**Oklahoma INSURANCE Department
State of Oklahoma**

BULLETIN NO. PC 2014-03-2

**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, Oklahoma Insurance Commissioner

DATE: December 2, 2014

DISASTER ACTION BULLETIN PART 2

Should the Commissioner or the Governor issue a proclamation declaring a disaster and directing that all necessary measures, both public and private as authorized under the Oklahoma Insurance Code (36 O.S. §§ 101 – 7301) or the Oklahoma Emergency Management Act of 2003 (63 O.S. §§ 683.1 – 683.24) , as applicable, be implemented to meet that threat (“ the Event”) and further based upon the power of the Governor or the Commissioner to make, amend, and rescind the necessary orders and rules to carry out the provisions of the referenced statutes, the Oklahoma Department of Insurance hereby instructs addressees as follows:

Summary

This bulletin sets forth the standards expected of all addressees in planning and preparing for, and responding to disasters in Oklahoma. To that end, this bulletin specifies and provides for the following matters:

1. Disaster Claim Data Reporting Requirements,
2. Temporary Suspension of Cancellation, Non-Renewal and Premium Payments, and
3. Expedited Claims Processing

THIS BULLETIN IS SUPPLEMENTAL TO DISASTER ACTION BULLETIN PART 1.

A. Content of Bulletin

The following table sets forth the topics covered in this bulletin. Each section begins with a statement indicating the entities to which the section applies.

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B. Disaster Claim Data Reporting Requirements

Insurers recognize that regulators have a critical need for data following a Catastrophic Event. Establishing data points that can be captured electronically avoids manual data gathering that diverts resources from responding to policyholder needs. Prior agreement on the necessary data points allows insurers to plan for compliance and ensures that regulators have the data needed both to manage the event and to provide credible data to the public, the media and policymakers.

This section specifies reporting best practices as well as an electronic data reporting format.

B.1.Catastrophe Claim Reporting Form

EVENT NAME: _____

DATE EVENT BEGAN: _____

DATE EVENT TERMINATED: _____

The Insurance Commissioner, John Doak requires all admitted property and casualty insurance companies and surplus lines insurers to complete the attached claim reporting form (generally the NAIC NE ZONE Format with modifications) and return it to the Department by the due dates indicated. 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.

The report submitted to the Department must be made in Excel (do not convert to pdf).

We request the data be provided by USPS zip code, and the worksheet includes macros to assist in completing the form.

In the event a company has no claims to report and does not anticipate any claims will be reported, the company may complete and file one report so noted.

If a company has multiple insurers within a holding company group, it will NOT be necessary to complete an Excel worksheet for each insurer. The holding company must aggregate the data into one worksheet.

Monthly reports are due, beginning with the twenty-first (21st) day following the initial disaster declaration, and every twenty-one (21) days thereafter.

Submit reports electronically by e-mail to the Disaster Response Data Coordinator, Brian Gabbert (brian.gabbert@oid.ok.gov) and include the report number I (e.g. 1st report, 2nd report, etc.) in the e-mail subject line.

Please contact the Disaster Response Data Coordinator, Brian Gabbert (brian.gabbert@oid.ok.gov), immediately if your company (or group) is unable to compile the required data in accordance with these requirements, or has any questions regarding the process.

B.2. DATA POINTS FORMAT

Claims Reported

Claims Closed With Payment Claims

Closed Without Payment Paid Loss\$

Case Incurred Loss \$

Percentage of Claims Closed

Line of Business

Residential Property Commercial

Property Personal Auto Commercial

Auto Business Interruption

All Other Lines (ex-Flood)

For purposes of this bulletin “claims reported” means claims that have been reported to the insurer and, on the reporting date, are not paid in full and have outstanding reserves of any type, excluding IBNR.

For purposes of this bulletin “Claims Closed” means claims that, on the reporting date, are paid in full and have no outstanding case reserves

B.3. RECORD RETENTION CRITERIA

Claims records, and supporting documentation for each event, will be retained for twelve months from the date of the initial event data call. Event data calls are triggered by the Governor’s or Commissioner’s declaration and are specific to each catastrophic event.

B.4. CONFIDENTIALITY REQUIREMENTS

Supplied post-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. TEMPORARY SUSPENSIONS OF CANCELLATION, NON-RENEWAL AND PREMIUM PAYMENTS

This bulletin establishes the criteria for the temporary suspension of laws regarding cancellation, nonrenewal and premium payments so that insurance coverage may continue in the immediate aftermath of the disaster event.

Voluntary Action. Insurers are encouraged to proactively contact policyholders in the impacted areas to grant a thirty (30) day temporary suspension of cancellation/non-renewal of policies for the non-payment of premiums for those impacted by the event resulting in the disaster proclamation.

Mandatory Action. If an insurance company is contacted by a policyholder indicating the insured has suffered significant property damage or other hardship as a result of the event, the insurance company

shall temporarily suspend for thirty (30) days the cancellation/non-renewal of the policy for the non-payment of premiums. After the initial thirty-day (30) period, the policyholder may request and the insurer may grant an extension. Insurers are encouraged to work with their policyholders in the impacted areas, providing relief where the circumstances warrant.

The temporary suspension shall apply to commercial property, homeowners, dwelling fire and commercial and personal automobile policies. The Department will work with carriers to limit the regulatory effects of a carrier's suspension of premium payments, specifically in regard to financial review requirements.

Policyholders and Insurers are advised that this suspension is not a waiver; it is only an extension or grace period in which to pay the premiums. Insurers are directed to work with impacted policyholders in repaying the premiums that became due during any suspension period by either allowing a repayment plan, or other method of repaying the amount in full.

This temporary suspension applies only to cancellations or non-renewals that are attributed to a failure to pay premiums during the applicable 30 day period. If a policy is to be canceled 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 requests that the insurance companies take in to 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 policies with an auto debit or electronic fund transfer arrangement the Department is aware that the policyholder must contact their financial institution for these payments to cease. Therefore, the insurance company may continue receiving those premiums unless the policy holder contacts the company, requests that such payments cease, and the policyholder contacts their financial institution and requests that this arrangement cease.

For purposes of this bulletin “Significant property damage” means:

Coverage

Damage from Event

Commercial property

Prevents resuming operation of the business for more than 3 calendar days following the event.

Homeowners and Dwelling Fire

Prevents habitation by occupants for more than 3 calendar days following the event.

Personal and commercial automobile policies

Makes Vehicle legally inoperable under the provisions of 47 O.S. § 12-101.

For purposes of this bulletin “other hardship” means that as a direct or indirect result of the event (1) the employment of the insured or the insured’s spouse or the operation of the insured business is interrupted, or (2)

debilitating injury or death sustained by the insured or a member of the insureds family, residing with the insured, at the time of the event.

D. EXPEDITED CLAIMS PROCESSING

The first step on the road to recovery after a catastrophic event is to adjust and resolve claims as quickly and fairly as possible. This section includes provisions for emergency permitting of adjusters and expanding claims payment methods.

D.1. BLANK

D.2. CLAIM PAYMENT METHODS

All authorized and admitted property and casualty insurers subject to licensure or regulation by Oklahoma Law may pay first-party or third-party claims, related to a disaster or catastrophic event, by methods other than a draft or check, such as prepaid debit cards, electronic transfer or other comparable alternate payment method, but only:

- (a) Where the claimant agrees to receive a claim payment by an alternate payment method;
- (b) If the alternate payment method is not subject to any fees that would result in the insured receiving less than the full amount due;
- (c) If the insured is permitted, at any time, to convert any balance into cash; and
- (d) If the claimant is notified of applicable terms and conditions.

D.3 EMERGENCY ADJUSTER LICENSE

[Title 36 O.S. § 6218 \(A\)](#) provides that In the event of a catastrophe (“event”) , the Insurance Commissioner may declare an emergency and may issue a license as an emergency adjuster to any resident or nonresident applicant.

An individual licensed as an emergency adjuster, may only adjust claims related to a particular event. The Commissioner’s emergency declaration shall identify the event by name. The term of all licenses issued in regard to such named event, shall begin on the date of the Commissioner’s emergency declaration and automatically expire 90 days later, unless terminated earlier by Order of the Commissioner.

Should the Commissioner determine that the term of emergency adjuster licenses, issued in regard to a specific event, should be extended beyond the automatic expiration date, he may extend such licenses for a second period of not more than 90 days from the automatic expiration date of the initial emergency adjuster licenses.

Extended emergency adjuster licenses shall automatically expire, 90 days following their date of extension, unless terminated earlier by order of the Commissioner.

Questions concerning any aspect of this bulletin should be directed to the Oklahoma Insurance Department, Disaster Response Data Coordinator, Brian Gabbert (brian.gabbert@oid.ok.gov), by mail to the Oklahoma Insurance Department, Five Corporate Plaza, 3625 N.W. 56th St., Oklahoma City, OK 73112 Attn: Disaster Response Data Coordinator, Brian Gabbert or by e-mail to Gordon C. Amini, Senior Attorney (gordon.amini@oid.ok.gov).