



**JOHN DOAK**  
**OKLAHOMA INSURANCE COMMISSIONER**  
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**BULLETIN NO. LIFE & HEALTH 2013-01, PC 2013-04**

**TO: ALL ENTITIES REGULATED BY THE OKLAHOMA INSURANCE DEPARTMENT, INCLUDING LIFE AND HEALTH INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, THIRD PARTY ADMINISTRATORS, PROPERTY & CASUALTY INSURERS, LICENSED IN THE STATE OF OKLAHOMA**

**RE: TORNADO EMERGENCY, MAY 19 -20, 2013**

**FROM: JOHN D. DOAK, OKLAHOMA INSURANCE COMMISSIONER**

**DATE: May 23, 2013**

The tornado and severe storms that occurred on May 19 and 20, 2013 in central Oklahoma produced a disruption in the insurance industry, resulting in many Oklahomans being unable to timely act or respond to their insurance needs and make timely premium payments on their insurance policies. The storms also caused disruptions in the notification processes required by insurance statutes and regulations relating to cancellations, non-renewals, reinstatements, and claim adjudication.

On May 19, 2013, Governor Mary Fallin issued Executive Order 2013-20, declaring a disaster emergency for the counties of:

**Caddo, Cleveland, Comanche, Creek, Garfield, Grant, Greer, Kiowa, Lincoln, Logan, McClain, Okfuskee, Oklahoma, Pawnee, Payne, and Pottawatomie**

to be effective from the date of her signature for a period of thirty (30) days. The Oklahoma Insurance Department is issuing this Bulletin to assist individuals and entities regulated by the Oklahoma Insurance Department as they deal with the exigencies caused by the May 19 and 20, 2013 storms.

The following applies to any and all insuring entities, including, but not limited to health maintenance organizations, accident and health insurers, third party administrators, discount medical plan organizations, property and casualty insurers, surplus and excess lines insurers, county mutual insurers, regarding all types of personal and commercial lines of insurance, including, but not limited to property and casualty insurance, life insurance, accident and health insurance, disability insurance, and any personal coverage offered by an entity regulated by the Oklahoma Insurance Department.

**1. Coverage for insureds in the affected counties shall continue under all insurance policies in effect immediately preceding the severe storms occurring on May 19, 2013, and shall remain in effect until such time as Executive Order 2013-20 is terminated.**

Insurers cannot cancel, nonrenew, or terminate coverage while this Bulletin is in effect. This period of time is a grace period during which consumers can take those actions necessary to keep their policies in force.

**2. Insureds in the affected counties may request and obtain a copy of any of their insurance policies free of charge.**

This provision is self-explanatory.

**3. Any rate increase for insurance policies in affected counties with an effective date on or after May 19, 2013 shall be deferred during the pendency of this emergency. The coverage shall remain in effect at the previously established rate.**

Rate increases filed with the Department with an effective date on or after May 19, 2013, shall be ineffective until the emergency terminates.

The Department recognizes that rating territories and counties are not necessarily aligned and that insurers may have difficulty identifying and extracting policies in the affected counties. Additionally, some insureds may have already received a notification or a policy containing a rate increase with an effective date on or after May 19, 2013, or some insureds may have already made a payment based on the increased rate. Pursuant to the Executive Order, insurers may not collect, and if collected must refund, rate increases effective on or after May 19, 2013.

If an insurer has concerns with renewals issued prior to May 19, 2013, with an effective date falling within the emergency period, please contact the Department to discuss a proposed compliance plan of action.

**4. When prescription drug coverage exists for insureds of the affected counties, insurers shall allow insureds to obtain refills of their prescriptions even if the prescription was recently filled.**

Individuals may not have access to their prescription medications as a result of storm damage. Insurers should work with their insureds and members to provide coverage for replacement medications.

**5. Any licensed public adjuster performing services in the affected counties shall exhibit their adjuster license to any prospective client before entering into any contract for the performance of or before performing adjustment or settlement services.**

This provision protects consumers from unlicensed adjustment activity. In Oklahoma, public adjusters must pass a competency test, pay a bond, and pay an application fee before being licensed by the Department. Application information is available on the Department's web site: [www.oid.ok.gov](http://www.oid.ok.gov).

**6. No person required to be licensed as a public adjuster by the Department shall require the insured to pay a fee in advance of the payment of the insurance company with respect to a claim in Caddo, Cleveland, Comanche, Creek, Garfield, Grant, Greer, Kiowa, Lincoln, Logan, McClain, Okfuskee, Oklahoma, Pawnee, Payne, and Pottawatomie counties.**

This provision is self-explanatory.

**7. The insured has the right to cancel any contract with a licensed public adjuster performing adjustment or settlement three days from the date the insured signed any contract.**

Consumers have the right to cancel any contract with a public adjuster without providing an explanation. If a consumer changes his or her mind about a public adjuster contract, the consumer should notify the public adjuster as soon as possible.

**8. No adjuster may, directly or indirectly, own or have a pecuniary interest in any business entity which provides construction or reconstruction related services on behalf of an insurance claimant for which the adjuster is providing services, nor may the adjuster, directly or indirectly, own or have a pecuniary interest in any other business entity which furnishes any supplies, material, services, or equipment purchased by or on behalf of the claimant unless providing services on a claim which is located in the county in which the adjuster maintains their principal place of business, or in a**

**municipality having a population of less than six thousand (6,000) persons; provided the adjuster gives written disclosure of the potential conflict of interest to both the insured and insurer prior to the performance of any adjuster services.**

This provision is self-explanatory.

Failure to comply with the requirements of Executive Order 2013-20, may subject an individual or entity to penalties authorized in Title 36 O.S. §§ 619, 1219.4, 1435.13, 6103.3, 6220, 6925.

**This Bulletin is effective for the duration of Executive Order 2013-20.**

**Questions or comments applicable to this bulletin should be directed to: Denise Engle, Mike Rhoads, or Susan Dobbins at:**

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The Oklahoma Insurance Department encourages readers of this notice to periodically check the Department's web site <http://www.oid.ok.gov/> for news and updates to Bulletins and other relevant material.