

INDIANA DEPARTMENT OF INSURANCE
September 14, 2016
Bulletin 234

POLICY CANCELLATION MORATORIUM

Due to lead-contaminated soil (the “East Chicago Event”) at the USS Lead Superfund Site (Zones 1, 2, and 3) in East Chicago, Indiana (the “Impacted Areas”), more than 1,200 residents are being relocated. As a result, the Indiana Department of Insurance is calling on all insurance companies to implement the following extensions and/or grace periods in the administration of insurance policies including all lines:

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

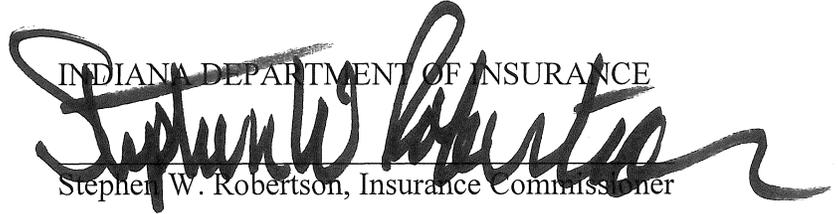
This “moratorium” is not a waiver; it is only an extension of the period in which to pay the premium. After the 60 days, the policyholder will have to resume making premium payments. The Department requests insurance companies work with the impacted policyholders in paying the premiums that would have 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 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 Impacted Areas may be unable to receive notice of cancellation or non-renewal due to the need to forward mail to policyholders who evacuated the Impacted 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 should be given immediate effect, but the Department expects insurers to apply this moratorium retroactively to July 28, 2016, the day the United States Environmental Protection Agency (EPA) mailed letters to some individuals in the Impacted Areas.

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 upheaval caused by the sudden displacement, 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) 232-2413. The duplicate license fee of \$10.00 for producers from Impacted Areas will be waived during this 60-day period.

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Stephen W. Robertson, Insurance Commissioner