

**PROGRAM DIVISION  
BULLETIN**

2004-39

September 28, 2004

**State of Alabama DOI Notice – Hurricane Ivan**

The attached communication received from Alabama Insurance Commissioner Bell applies to all policies issued prior to September 16, 2004. The bulletin directs that in the event an insured was obligated to take some action on or after September 16, 2004 by a certain date, the date for taking such action is extended to and including November 15th. This means, for example, that if an insured had until September 16th to pay its premium, it now has until November 15th to do so.

It should be noted that during this extension, no interest (except for the accrual of interest pursuant to a premium finance agreement), charges or penalties shall accrue or be assessed. It should also be noted that in the event an insurer receives a claim from an insured owing premium, any losses paid by the insurer may be reduced by the amount of premium owed.

Attached is the clarification received from the Alabama Department of Insurance regarding the grace period implemented by Commissioner Bell. The attached document indicates that the grace period need only be extended to victims of Hurricane Ivan who have been temporarily displaced due to storm damage or who have faced disruption in their mail service.

A Victim of Hurricane Ivan is a policyholder who has provided notice to an insurer that the policyholder has suffered damage from Hurricane Ivan. Disruption of mail service means the U.S. Postal Service was unable to deliver mail to a policyholder (due to inaccessibility caused by Hurricane Ivan) for three or more consecutive days.

Insurers may require policyholders to show that they qualify for the grace period.

Please note that the communications we have received from the Department **apply to surplus lines** insurers as well.



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