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Mississippi Department of Insurance
Bulletin 2005-13
November 4, 2005

**EXTENSION OF COVERAGE FOR DAMAGED PROPERTY
DUE TO HURRICANE KATRINA**

The Mississippi Department of Insurance ("Department") is aware that insurance companies in this State have been working hard to adjust and pay claims for policyholders with damaged property due to Hurricane Katrina. The Department is also aware that due to a shortage of building materials, contractors and construction workers, many policyholders have received claim payments from insurance companies only to find that they are unable to repair their homes. In an effort to ensure that these policyholders are not further harmed, the following directive allowing for an extension of coverage for damaged property due to Hurricane Katrina is issued.

- i. Scope of Bulletin - This Bulletin shall apply to all personal and commercial residential property insurance policies covering structures damaged as the result of Hurricane Katrina, for which a damage claim has been filed and a loss is payable or has been paid, if repairs attributable to such damage have not been completed.
- ii. Extension of Coverage - Pursuant to this Bulletin, no insurance company shall cancel or nonrenew a personal or commercial residential property insurance policy covering a dwelling or residential property located in this State which has been damaged as a result of Hurricane Katrina, for a period of sixty (60) days after the dwelling or residential property has been repaired, except for the circumstances discussed below in Section III.
 - A. Definition of "Repaired" - A structure is deemed to be "repaired" when substantially completed and the structure has been repaired to the extent the structure is insurable by another authorized insurer which is writing policies in this State.
 - B. Additional Term Not Required - A nonrenewal prohibited pursuant to this Bulletin shall not require renewal for an additional term.
- iii. Exceptions to the Extension of Coverage - An insurance company may cancel or nonrenew prior to the repair of the dwelling or residential property, in the following circumstances:

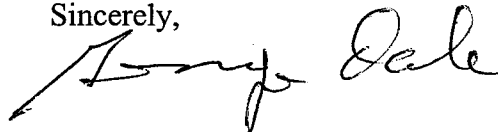
- A. Non-Payment - For non-payment of premium, in accordance with the notice provisions in the policy applicable to cancellation for non-payment of premium, unless said policyholder falls within the moratorium of premiums pursuant to Bulletins 2005-7 and 2005-9, or any subsequent moratorium of premiums issued by the Commissioner of Insurance;
- B. Misstatement or Fraud - Upon forty-five (45) days notice for a material misstatement or fraud related to the claim;
- C. Unreasonable Delay - Upon forty-five (45) days notice if the insurance company can demonstrate that the insured has unreasonably caused a delay in the repair of the dwelling;
- D. Policy Limits - Upon forty-five (45) days notice if the insurer has paid policy limits, provided the insurer has offered the insured a builders risk or other similar policy which would cover the property until completion of repairs, which the policyholder has refused; or,
- E. Request of Policyholder - Immediately upon the written request for cancellation/non-renewal by the policyholder.

The Department directs that all insurance companies comply with this Bulletin to ensure that all Mississippi policyholders with damaged property due to Hurricane Katrina do not suffer additional losses. The provisions of this Bulletin shall also apply to eligible non-admitted insurers/surplus lines insurers doing business in Mississippi pursuant to Miss. Code Ann. § 83-21-17 et seq. (Rev. 1999).

The Commissioner of Insurance ("Commissioner") may exempt an insurance company from compliance with the provisions of this Bulletin where the insurance company may be in a hazardous financial condition. In order to be exempt, an insurance company must submit a written request to the Commissioner.

Done this the 4th day of November, 2005.

Sincerely,



GEORGE DALE
COMMISSIONER OF INSURANCE