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**MISSISSIPPI DEPARTMENT OF INSURANCE**  
**BULLETIN 2006-3**  
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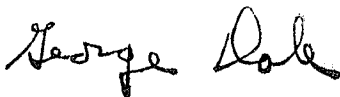
**SUSPENSION OF 180-DAY DEADLINE FOR MAKING REPAIRS OR PROVIDING  
NOTIFICATION OF INTENT TO MAKE A CLAIM FOR ADDITIONAL LIABILITY**

- A. Pursuant to the Governor's Proclamations dated August 26, 2005, and September 2, 2005, Governor Barbour declared a state of emergency invoking his emergency powers pursuant to Miss. Code Ann. § 35-15-11, and directed state agencies to discharge their emergency responsibilities as deemed necessary as set forth in the State of Mississippi Emergency Operations Plan and Executive Order No. 653, dated November 16, 1990. In accordance with the Proclamations and Executive Order, and Miss. Code Ann. §§ 33-15-11 (b)(9) and 33-15-11 (c)(4), there was a delegation of those emergency powers to the Commissioner of Insurance, the chief officer of the Mississippi Department of Insurance ("Department"), which allows him, in his discretion, to promulgate emergency regulations and guidelines to promote and secure the safety and protection of the citizens of this State.
- B. The 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 are finding it impossible to make arrangements to repair their property and/or to actually have the repairs made.
- C. Many policyholders in Mississippi have replacement property insurance coverage which provides that the policyholder may make a claim for loss or damage on an actual cash value basis, and then make a claim within 180 days after loss for any additional liability on a replacement cost basis. This may be interpreted as meaning that repairs must be made within 180 days in order to receive additional reimbursement on a replacement cost basis.
- D. Many other policyholders in Mississippi have replacement property insurance coverage which provides that the policyholder may make a claim for loss or damage on an actual cash value basis, and then make a claim for any additional liability on a replacement cost basis, provided that the policyholder notifies the insurance company of his or her intent to do so within 180 days after the date of loss.
- E. As February 25, 2006 will constitute the passage of approximately 180 days since Hurricane Katrina's landfall, the following directives are hereby issued:

- I. Scope of Bulletin - This Bulletin shall apply to all personal and commercial property replacement insurance policies covering structures damaged as the result of Hurricane Katrina, and which contain either of the 180-day provisions as specified in paragraphs C. and D. above.
- II. Suspension of Repair Deadline - With respect to personal and commercial property replacement insurance policies covering structures in Mississippi which contain a provision as described in paragraph C. above, the 180-day deadline as specified in said paragraph C. is hereby suspended and shall not apply as to Hurricane Katrina claims. This suspension of the repair deadline and/or the deadline for making a claim within 180 days after loss for any additional liability on a replacement cost basis is hereby effective immediately, and shall remain in effect until otherwise directed by the Commissioner of Insurance.
- III. Suspension of Notification of Intent Deadline - With respect to personal and commercial property replacement insurance policies covering structures in Mississippi which contain a provision as described in paragraph D. above, the 180 day deadline as specified in said paragraph D. is hereby suspended and shall not apply as to Hurricane Katrina claims. This suspension of the deadline for providing notice of intent to make a claim for additional liability on a replacement cost basis is hereby effective immediately, and shall remain in effect until otherwise directed by the Commissioner of Insurance.
- IV. Reasonable Diligence - Policyholders should be aware that while the 180-day deadlines have been suspended as set forth in sub-paragraphs II. and III. above, the failure of policyholders to timely make repairs and/or to make a claim within 180 days after loss for any additional liability on a replacement cost basis, or the failure of policyholders to timely provide a notice of intent to the insurance company to make a claim for additional liability on a replacement cost basis, may substantially delay the processing of their claims. The Department urges all policyholders to exercise reasonable diligence in making repairs or providing the required notice of intent in a timely fashion.

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

Sincerely,



George Dale  
Commissioner of Insurance