



**BOB RILEY
GOVERNOR**

**STATE OF ALABAMA
DEPARTMENT OF INSURANCE
201 MONROE STREET, SUITE 1700
POST OFFICE BOX 303351
MONTGOMERY, ALABAMA 36130-3351
TELEPHONE: (334) 269-3550
FACSIMILE: (334) 241-4192
INTERNET: www.aldoi.gov**

**WALTER A. BELL
COMMISSIONER**
ASSISTANT COMMISSIONER
RAGAN INGRAM
DEPUTY COMMISSIONER
D. DAVID PARSONS
CHIEF EXAMINER
RICHARD L. FORD
STATE FIRE MARSHAL
EDWARD S. PAULK
GENERAL COUNSEL
REYN NORMAN
RECEIVER
DENISE B. AZAR
LICENSING MANAGER
JIMMY W. GUNN

BULLETIN

TO: All Property and Casualty Insurance Companies doing business in the State of Alabama

FROM: Walter A. Bell, Commissioner of Insurance 

DATE: May 01, 2006

RE: Alternative procedures for resolution of disputed personal lines insurance claims arising from hurricane, tropical storm, tornados and other disasters damage

Alabama Insurance Regulation, Chapter 482-1-135, entitled Alternative Procedures for Resolution of Disputed Personal Lines Insurance Claims Arising from Hurricane, Tropical Storm, Tornados and Other Disasters Damage, was promulgated and effective December 31, 2005. This regulation provides a mediation process for all disputed claims incurred prior to December 31, 2005, as well as future claims, from various storms.

This mediation program serves as a non-adversarial, non-binding, alternative dispute resolution procedure designed to facilitate the resolution of disputed claims as quickly and fairly as possible. An insured may request mediation within sixty (60) days of the time the insurer receives the first party claim and the claim has not been resolved. The insurer should send notice of mediation to the insured regarding this Regulation. An insured then may start the mediation process twenty-one (21) days after the date the mediation notice is sent to the insured.

An insurer may request mediation in one of three ways:

- (1) Calling the Alabama Department of Insurance Consumer Services Division at 334-241-4143.
- (2) Faxing a request to the Alabama Department of Insurance at 334-240-4409.
- (3) Mailing a request directed to the Consumer Services Division, P O Box 303351, Montgomery, Alabama 36130-3351.

The Department then will notify the insurance company within forty-eight (48) hours of the Department's receipt of the request for mediation.

The actual mediation request form can be used by the insured to provide the following information to the Department:

(a) Name, address, and daytime telephone number of the insured and location of the property if different from the address given.

(b) The name of the insurer and the name, address and phone number of the contact person for scheduling mediation.

(c) The claim and policy number for the insured.

(d) A brief description of the nature of the dispute.

(e) If applicable, information with respect to other policies of insurance that may provide coverage of the insured property for named perils such as flood or windstorm.

The mediator will schedule a mediation conference subject to the approval of both parties within sixty (60) days from the date the Department receives the mediation request form from the insured. The mediator will follow up with by notifying each party in writing of the agreed upon date, time, and place of the mediation conference at least ten (10) days prior to the date of the conference.

The mediation conference fee of \$350.00 dollars will be paid by the insurance company with no cost to the policy holder except in unusual circumstances such as, failure to appear at mediation conference unless there is a valid excuse. The parties may bring individuals to the mediation conference that are knowledgeable about the issues such as adjusters, appraisers, and contractors. Attorneys are not permitted to attend or participate in the mediation conference held pursuant to this Regulation except for an attorney or a representative of the Department.

If the parties reach a settlement at the mediation conference the insured will receive a check and have three (3) business days to rescind the settlement agreement as long as the insured has not cashed any checks issued by the insurer as a result of the settlement. After three (3) business days if the settlement has not been rescinded it will become final. The mediator will issue a status report within five (5) days of the conference conclusion on whether or not the parties reached a settlement.

WAB/EB/ss