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**BULLETIN**

**TO:** All Property and Casualty Insurance Companies doing business in the State of Alabama  
**FROM:** Walter A. Bell, Commissioner of Insurance   
**DATE:** May 17, 2006  
**RE:** Alternative procedures for resolution of disputed personal lines insurance claims arising from hurricane, tropical storm, tornados and other disasters damage

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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, became effective December 31, 2005. This regulation provides a mediation process for pending disputed claims from Hurricanes Ivan and Katrina, as well as future claims related to disaster damage. As to future storms, the Department will issue another specific bulletin following each storm to which the mediation requirements apply.

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. As to all pending disputed claims from Hurricanes Ivan and Katrina, the insurer shall send notice to the insured within ten (10) business days from the date of this bulletin regarding the availability of the mediation program established by Chapter 482-1-135. The notice must comply with the requirements set forth in Chapter 482-1-135-.04. If a claim has not been resolved within twenty-one (21) days from the date of the mediation notice, the insured or the insurer may request mediation in one of three ways:

- (1) By calling the Consumer Services Division of the Alabama Department of Insurance at (334) 241-4143; or
- (2) By faxing a request to the Alabama Department of Insurance at fax number (334) 240-4409; or
- (3) By mailing a request directly to the Consumer Services Division of the Alabama Department of Insurance, P.O. Box 303351, Montgomery, Alabama 36130-3351.

The Department will notify the insurance company within two (2) business days of the Department's receipt of the insured's request for mediation, and the Department will notify the insured within two (2) business days of the Department's receipt of a request for mediation by the insurance company.

To the extent known, the request for mediation should provide the following information to the Department:

(a) The 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 telephone number of the contact person of the insurer such as the claimsperson or adjuster;

(c) The claim and policy number for the applicable insurance policy;

(d) A brief description of the nature of the dispute; and

(e) If applicable, information with respect to other policies of insurance that may provide coverage for the insured property for named perils, including but not limited to flood and/or windstorm.

The mediator will be an attorney with the Legal Division of the Alabama Department of Insurance who has no connection with the insured or the insurer. The mediator will schedule a mediation conference within sixty (60) days from the date the Department receives the mediation request from the insured or insurer. The mediator will notify each party in writing of the agreed upon date, time and location of the mediation conference at least ten (10) days prior to the date of the conference, unless agreed upon otherwise by the parties.

The mediation conference fee of \$350.00 will be paid by the insurance company with no cost to the policyholder except under certain circumstances as outlined in Chapter 482-1-135-.07, such as failure to appear at the mediation conference absent good cause. The parties may bring individuals to the mediation conference who are knowledgeable about the disputed claim, 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 attorneys employed by the Department.

If the parties reach a settlement at the mediation conference, the insured will have three (3) business days to rescind the settlement agreement by written notice to the mediator as long as the insured has not negotiated 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 be deemed final. The insured will be required to execute a release of all resolved claims against the insurer prior to negotiating the settlement check.

This bulletin supercedes and replaces the directives on this subject set forth in the bulletin issued on May 1, 2006, and, for those reasons, the May 1, 2006, bulletin is hereby withdrawn.