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BULLETIN

TO: All Insurance Companies Licensed in this State
FROM: Walter A. Bell, Commissioner 
DATE: September 4, 2007
RE: Insurance Policy Forms - Shortened Limitation of Action Clauses

Pursuant to Section 6-2-15 of the *Alabama Code*, a provision in any type of insurance policy whereby the time for the commencement of a legal action is limited to a time less than that prescribed by Alabama law is void.

Insurers who have filed policy forms with the Alabama Department of Insurance containing a provision that impermissibly sets forth a limitations period less than the time period prescribed by Alabama law are hereby directed to file with the Department one of the following within 90 days of the date of this Bulletin:

- (1) an amended policy form deleting the impermissible limitations period; or
- (2) an endorsement informing the policyholder that the limitations period set forth in the policy is null and void and that the time period by which a legal action relating to the policy must be filed is governed by Alabama law.

Beginning no later than 60 days after the insurer submits to the Department an amended policy form or an endorsement as described in (1) or (2) above, policies that are newly issued as well as policies being renewed must either consist of an amended policy form deleting the impermissible limitations period; or must contain an endorsement informing the policyholder that the limitations period set forth in the policy is null and void and that the time period by which a legal action relating to the policy must be filed is governed by Alabama law.

Please note that the inclusion of general policy language to the effect that when a policy provision is in conflict with the applicable law of the State in which the policy is issued, the law of the State will apply, is not considered sufficiently specific to comply with this Bulletin.

WAB/JSE/vm