BULLETIN NO. 2011-05

TO: All Property and Casualty Insurers Licensed in Alabama

FROM: Jim L. Ridling, Commissioner

DATE: October 27, 2011

EFFECTIVE: October 27, 2011

RE: April Storm Reports

All property and casualty insurers licensed in this State are instructed to file a report providing the information described in this Bulletin concerning claims arising from the wind storms which occurred in this State on April 15 and April 27, 2011. This applies to personal line and commercial line policies and includes automobile claims.

The report should include a cover letter which states as of October 27, 2011: the total number of claims submitted to the insurer as a result of the storms; the total dollar amount of claims paid; and the total number of claims remaining open (as limited in this Bulletin); and the name, title and contact number for the person within the company authorized to provide the Department with general claims information and for the person or persons authorized to handle individual claim inquiries from the Department.

For insurers indicating open claims as of October 27, 2011, a more detailed report providing the following information should be attached to the cover letter:

A. For open claims submitted on or before June 30, 2011:

1. Total number of claims filed during this time period.
2. Total number of open claims awaiting information from the insured.
3. Total number of open claims other than those addressed in #2.

B. For open claims submitted from July 1, 2011, to September 30, 2011, the following information is required:

1. Total number of claims filed during this time period.
2. Total number of open claims awaiting information from the insured.
3. Total number of open claims other than those addressed in #2.

C. For open claims submitted on or after October 1, 2011, provide the total number of claims filed during this time period and the number of claims still open.
For purposes of this Bulletin:

1. An “open claim” means a claim for which an agreement has not been reached between the insurer and the insured and a claim for which the company “reasonably expects to make a future payment.” An insurer does not “reasonably expect to make a future payment” on a claim when it has paid the insured an amount equal to or greater than the amount claimed by the insured on a proof of loss or similar document.

2. When the insurer has paid the actual cash value of property insured under a replacement cost policy, the claim can be considered closed until the insured has replaced the property and files a request for the replacement cost value.

3. When the insurer has paid the insured for the total loss of a motor vehicle and is merely awaiting the sale of the vehicle for salvage, the claim can be considered closed.

Insurers with no open claims (as described and limited in this bulletin) related to the April storms should still file a report in the form of the cover letter described above.

Reports should be received by the Commissioner’s office by 5:00 p.m. CT on November 16, 2011. Reports may be submitted via electronic mail, hand delivery, or non-USPS overnight courier delivery, as follows:

Electronic Mail: Address: Insdept@insurance.alabama.gov
Subject: April Storms Report

Hand or Overnight: Commissioner of Insurance
201 Monroe St
Suite 502
Montgomery, AL 36104
334-269-3550

In accordance with the Alabama Insurance Disaster Response Plan, reports submitted pursuant to this Bulletin will be considered confidential and not subject to public review. All reports will be consolidated by the department into a compiled summary on an aggregate basis. No individual company information will be identified publicly.

JLR/RN/ct