Fields of Opportunities

STATE OF IOWA

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NICK GERHART
COMMISSIONER OF INSURANCE

BULLETIN 16-01

To: All Insurance Companies and Producers Writing in the State of Iowa
From: Nick Gerhart, Iowa Insurance Commissioner
RE: Insurance Consumers impacted by flooding
Date: September 26, 2016

The purpose of Bulletin 16-01 is to assist individuals and entities regulated by the Iowa commissioner as emergency response teams and other citizens work to address the flooding that is affecting Iowa consumers.

Cancellation Grace Period Due to Nonpayment or Late Payment

The Insurance Commissioner requests all insurers licensed in this state allow coverage to remain in effect for any Iowa insured who resides in a county where a disaster has been declared and who has had their ability to timely act or respond to an insurer materially affected by the flood. Insurers may alternatively choose to implement this request in a broader manner such as delineating impacted areas by zip code, county or other geographic territory to assist impacted insureds in recovering from the recent floods.

Insurers should also consider providing a grace period during which their insureds can take actions necessary to keep their policies in force. However, the Division is not requesting insurers waive any premiums or other consideration owed on any policy or contract during this period of time. The Division anticipates that a failure to pay premiums or remit consideration within a reasonable time after the expiration of such disaster designation may subject the policy to a retroactive cancellation, in accordance with the policy terms.

For those policies with an automatic bank draft or electronic funds transfer arrangement, insurers may continue payment deductions unless or until the policyholder terminates this arrangement with the insurer and the financial institution.

Nothing in this bulletin should be construed as the Division requesting an insurer to continue coverage for an insured who is otherwise unaffected by any mail disruptions. Additionally, nothing in this bulletin should be construed as the Division requesting any insurer to refrain from terminating coverage on the basis of fraud on the part of an insured.

Out-of-Network Benefits Treated as In-Network

The Commissioner makes an additional request to all health insurers that provide health insurance with a network component while the affected areas are designated as a disaster. If such insurers have insureds affected by flooding (which could be either a circumstance where the insured's primary residence was impacted by flooding or where the insured's ability to access their provider was impacted by flooding), who receives out of network care, the health insurer should consider providing coverage to the insured at no greater cost to the insured than if the insured had received care from an in network provider.

The Commissioner appreciates the assistance and cooperation of insurers as Iowans continue to recover from this historic and unprecedented flooding event.

Counties Declared as Disaster Emergency as of date of bulletin

Allamakee, Benton, Black Hawk, Bremer, Buchanan, Butler, Cedar, Cerro Gordo, Chickasaw, Delaware, Floyd, Franklin, Hancock, Linn, Mitchell, Worth and Wright.

Insurers with questions regarding this Bulletin or needing other assistance may contact Deputy Commissioner Doug Ommen at 515-725-1220.