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BULLETIN NO. 2020-05

TO: All admitted insurers authorized to write property and casualty insurance and life, health or disability insurance in Alabama; the Alabama Insurance Underwriting Association; licensed premium finance companies

FROM: Jim L. Ridling
Commissioner of Insurance 

DATE: March 30, 2020

RE: Cancellation or Non-Renewal Recommendation due to COVID-19 pandemic

EFFECTIVE: Immediate

This Bulletin applies to all commercial and personal lines of insurance, including property, casualty, disability, accident and health, and life insurance policies.

On March 13, 2020, Alabama Governor Kay Ivey declared a state of public health emergency in Alabama due to the COVID-19 pandemic. The Governor has since issued three supplemental declarations and more could follow. At this time, it is not certain when the public health emergency will be canceled. Schools, businesses, and the general public have been encouraged to take mitigating efforts to limit further spread of the virus.

Some of these mitigating measures led to the displacement of workers and disruption of business, creating adverse financial effects. This, in turn, may affect the ability of these individuals or entities to make timely insurance premium payments.

In light of current circumstances, the Alabama Commissioner of Insurance hereby recommends insurers consider the following actions for applicable policies in force as of March 13, 2020;

- ... Relaxing due dates for premium payments,
- ... Extending grace periods
- ... Waiving late fees and penalties
- ... Allowing premium payment plans which will avoid a lapse in coverage
- ... Expanding automobile coverage to allow personal vehicles to be covered while delivering food, medicine or other essential services for commercial purposes

Insurers should consider cancellation or non-renewal of policies only after exhausting all efforts to work with policyholders to continue coverage. A policy may be cancelled or non-renewed for legally recognized reasons or policy provisions other than late or failure to pay premiums.

Further, in order to protect policyholders, workers and the general public, the commissioner requests insurers, producers, and other licensees who accept premium payments to consider alternate methods of payment. The methods need to be consistent with safe social distancing standards and eliminate the need for in person payment. This may include online or other electronic transfers.

Affected policyholders should notify their insurance carrier or producer to explain their individual situation and difficulties complying with payment schedules. Please check the Alabama Department of Insurance web site for possible future updates: www.aldoi.gov.

Questions concerning this Bulletin should be directed to:

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