

# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

March 20, 2020

**BULLETIN NO. 6-2020**

**TO: ALL ADMITTED AND SURPLUS LINES INSURANCE CARRIERS  
DOING BUSINESS IN THIS STATE, AND OTHER INTERESTED  
PARTIES**

**FROM: ARKANSAS INSURANCE DEPARTMENT**

**SUBJECT: STATE COVID-19 HEALTH EMERGENCY**

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The Arkansas Insurance Commissioner is issuing this Bulletin to assist consumers with insurance policies affected by the outbreak of the COVID-19 virus in Arkansas, providers of health services attempting to treat and contain the outbreak, and entities regulated by the Arkansas Insurance Department as they deal with urgent needs caused by the occurrence of the virus in Arkansas.

The Arkansas Insurance Department is committed to assisting its fellow state agencies, local health departments, emergency managers, and health care providers in providing for the health and welfare of the people of Arkansas.

On March 11, 2020, Governor Asa Hutchinson issued Executive Order 20-03 declaring a statewide state of emergency in response to the outbreak of the COVID-19 virus among Arkansans. The Order may impact various insurance regulatory statutes so that the Department may effectively render maximum assistance to overcome any potential impediment to the rapid and orderly rendering of assistance to our citizens affected by the virus.

## **Consumer Complaint Email On-File With Department**

As a result of the COVID-19 pandemic, the Commissioner recognizes that insurers and other regulated entities may have a limited or otherwise adversely impacted workforce available to them and that their consumer service departments may not be able to answer or take questions at the contact number or email provided in the consumer's policy.

In order to assist Arkansas consumers who may call the Department with issues, complaints, or questions regarding their policies should they not be able to contact their insurer through normal means, **the Commissioner directs all insurers and other regulated entities to provide it with the appropriate email address the company has designated to field consumer contacts during this health emergency.**

Carriers should forward their consumer contact email address to [insurance.consumers@arkansas.gov](mailto:insurance.consumers@arkansas.gov) as soon as possible.

## **Rule 43 Claims Settlement Compliance**

Insurers and other regulated entities must assess and review their plans of preparedness and plans for continuity of operations to manage the risk of disruption to their operations arising from COVID-19 and actively seek to mitigate the risk of harm to policyholders and claimants.

The Commissioner recognizes that insurers and other regulated entities may have a limited or otherwise adversely impacted workforce available as a result of the pandemic or may further request or require that their employees limit their direct or personal contact with others, including vendors, third-party contractors, claimants or policyholders.

The Commissioner further recognizes that these workforce limitations and personal contact restrictions may cause disruption to an insurer's or other regulated entity's normal claims handling operations and procedures.

**The Commissioner advises all insurers and other regulated industries that they must continue to adjust claims as expeditiously as possible during this emergency in compliance with the provisions of AID Rule 43**, and utilize all possible methods of adjusting claims remotely, such as telephone, email, facsimile, mobile applications, satellite imagery or 3D mapping, all the while striving to meet normal time frames for the adjustment and resolution of claims whenever possible.

## **60-Day Moratorium**

To assist citizens who may struggle to overcome obstacles during this health emergency, **the Department is hereby issuing a sixty (60) day moratorium** on the cancellation/non-renewal of insurance policies for the non-payment of premiums for Arkansans diagnosed with/positively tested for COVID-19.

This moratorium shall apply to all insurance policies issued in this state.

This moratorium extension is not automatic. To be eligible for the 60-day moratorium, affected policyholders must request this extension from their insurance carriers.

Insurance carriers may request evidence of diagnosis.

The 60-day moratorium period, where requested by the policyholder, is effective starting from the date of issuance of Executive Order 20-03.

**Policyholders are advised that this moratorium is not a waiver; it is only an extension or grace period in which to pay premiums.** Insurers are directed to work with affected policyholders in paying the premiums that become due during the moratorium period by either allowing a payment plan or a further extension of the due date for the amount in full.

This moratorium applies only to cancellation or non-renewals attributed to a failure to pay premiums during the applicable 60-day period. If a policy is to be cancelled or non-renewed for any other allowable reason, the cancellation or non-renewal may be made pursuant to statutory notice requirements and for legally recognized reasons. However, the Department requests that insurance companies take into consideration that persons diagnosed with COVID-19 may be unable to receive a notice of cancellation or non-renewal.

For those policies with an automatic bank draft or electronic funds transfer arrangement, the Department is aware that the policyholder must contact their financial institution for these payments to cease. Therefore, the insurance company may continue deducting those premiums unless the policyholder contacts the insurance company and their financial institution to request that such an automatic bank draft or electronic funds transfer arrangement cease.

Any questions regarding this Bulletin should be directed to [insurance.consumers@arkansas.gov](mailto:insurance.consumers@arkansas.gov) at the Arkansas Insurance Department or by phone at 501-371-2600.



ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

**March 20, 2020**  
DATE