

OKLAHOMA INSURANCE DEPARTMENT

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GLEN MULREADY
INSURANCE COMMISSIONER

BULLETIN NO. 2019-EXEC-01

To: ALL ENTITIES REGULATED BY THE OKLAHOMA INSURANCE DEPARTMENT, INCLUDING LIFE AND HEALTH INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, THIRD PARTY ADMINISTRATORS, PROPERTY & CASUALTY INSURERS, LICENSED IN THE STATE OF OKLAHOMA

From: Glen Mulready, Insurance Commissioner

Date: May 24, 2019 (Revised June 5, 2019)

Re: FLOOD EMERGENCY, MAY 24, 2019

The tornado and severe thunderstorms that occurred in Oklahoma during the month of May, 2019, produced wind, hail, and water damage throughout the state but most specifically in the northeast including the City of Tulsa.

The severe weather has disrupted the lives of many residents resulting in their inability to perform normal activities of daily life, much less attend to their insurance needs. As a result of the loss of basic services, evacuations, and flooding, affected Oklahomans have been unable to make timely premium payments on their insurance policies or receive notifications required by insurance laws relating to cancellations, non-renewals, reinstatements, and claims.

On May 8, 2019, Governor Stitt issued the Second Amended Executive Order 2019-19 declaring a disaster emergency for all seventy-seven (77) Oklahoma counties. This Bulletin, however, is only applicable to insureds residing in the zip codes in Attachment A ("affected areas"). We do expect the number of affected areas to increase as the effects of severe weather continue. This Bulletin will be effective from the date of issuance for a period of thirty (30) days but may be extended at the discretion of the Commissioner.

The Commissioner is issuing this Bulletin to assist consumers and individuals and entities regulated by the Oklahoma Insurance Department as they deal with the exigencies caused by the May 2019 storms.

The following applies to any and all insuring entities, including, but not limited to health maintenance organizations, accident and health insurers, third party administrators,

discount medical plan organizations, property and casualty insurers, surplus and excess lines insurers, county mutual insurers, regarding all types of personal and commercial lines of insurance, including, but not limited to property and casualty insurance, life insurance, accident and health insurance, disability insurance, and all lines of coverage offered by any such entity regulated by the Oklahoma Insurance Department.

1. Coverage for insureds in the affected areas shall continue under all insurance policies in effect immediately preceding the severe storms occurring on and after the third week of May, and shall remain in effect until such time as this Bulletin expires.

Insurers may not cancel, nonrenew, or terminate coverage in the affected areas while this Bulletin is in effect. This period of time is a grace period during which consumers can take those actions necessary to keep their policies in force. Further, insurers may not cancel, refuse to renew, or increase the premium of any homeowner's insurance policy or any other personal residential insurance coverage, which has been in effect more than forty-five (45) days, solely because the insured filed a first claim against the policy. This moratorium shall also be inclusive to any notification period required by Title 36 O.S. §§ 3639.1 and Oklahoma Regulation 365.15-1-14, for cancellation, nonrenewal or termination of coverages in the affected areas. The beginning of all of notification time periods shall not commence until the cessation of the moratorium period.

No insurer that issues any type of property or casualty insurance policy in this state shall increase premium rates, cancel a policy, or refuse to issue or renew a policy solely on the basis of a policyholder inquiring about making a claim, if the policyholder does not in fact submit a claim. (36 O.S. § 940)

The statutory intent includes, but is not limited to, requests by consumers for a letter from an insurer, that under their current policy, they do, or do not have flood insurance coverage, or, if the insured is inquiring about any other specific coverage under their current insurance policy.

2. Insureds in the affected areas may request and obtain a copy of any of their insurance policies free of charge.

3. Insurers shall not implement any rate increase for policyholders in the affected areas while this Bulletin remains in effect unless such rate increase was filed with the Department prior to issuance of this Bulletin. The coverage shall remain in effect at the previously established rate.

The Department recognizes that rating Oklahoma territories, counties and zip codes are not necessarily aligned and that insurers may have difficulty identifying policies in the affected areas. If an insurer has concerns with complying with the requirement of this section, please contact the Department to discuss a solution.

4. When prescription drug coverage exists for insureds in the affected areas, insurers shall allow insureds to obtain refills of their prescriptions even if the prescription was recently filled.

Insurers should work with their insureds and members to provide coverage for replacement medications.

5. Any licensed public adjuster performing services in the affected areas shall exhibit their adjuster license to any prospective client before entering into any contract for the performance of or before performing adjustment or settlement services.

This provision protects consumers from unlicensed adjustment activity. In Oklahoma, public adjusters must pass a competency test, obtain a bond, and pay an application fee before being licensed by the Department. Application information is available on the Department's web site: www.oid.ok.gov.

6. No person required to be licensed as a public adjuster by the Department shall require the insured to pay a fee in advance of the payment by the insurance company or collect their entire fee from the first check issued by an insurance company, rather than as a percentage of each check issued by an insurance company.

7. The insured has the right to cancel any contract with a licensed public adjuster performing adjustment or settlement until midnight of the third business day after the day on which the signed agreement was provided to the insured.

Consumers have the right to cancel any contract with a public adjuster without providing an explanation. If a consumer changes his or her mind about a public adjuster contract, the consumer should notify the public adjuster in writing as soon as possible.

8. No adjuster may, directly or indirectly, own or have a pecuniary interest in any business entity which provides construction or reconstruction related services on behalf of an insurance claimant for which the adjuster is providing services, nor may the adjuster, directly or indirectly, own or have a pecuniary interest in any other business entity which furnishes any supplies, material, services, or equipment purchased by or on behalf of the claimant unless providing services on a claim which is located in a municipality having a population of less than six thousand (6,000) persons; provided the adjuster gives written disclosure of the potential conflict of interest to both the insured and insurer prior to the performance of any adjuster services.

It is a clear conflict of interest for a public adjuster to provide adjuster services and other claim-related services on a single claim. Any consumer or insurer who believes that a public adjuster has violated any of the restrictions set out in this Bulletin should contact the Department.

Failure to comply with the requirements of this Bulletin may subject an individual or entity to penalties authorized in Title 36 Oklahoma Statutes.

Flood Zip Code affected areas are provided on the attached Zip Code list and map as “Attachment A”.

Questions or comments applicable to this bulletin should be directed to:

Tyler Laughlin, Mike Rhoads, or Gordon Amini at:

**Oklahoma Insurance Department
Five Corporate Plaza,
3625 NW 56th, Suite100
Oklahoma City, OK 73112
405-521-2828**

The Oklahoma Insurance Department encourages readers of this notice to periodically check the Department’s web site <http://www.oid.ok.gov/> for news and updates to Bulletins and other relevant material.

ATTACHMENT A**Flood Zip Codes**

73003	73077	73160	73627	73761	74053	74145	74455	74850
73005	73078	73162	73632	73762	74054	74146	74456	74851
73006	73084	73165	73641	73766	74055	74301	74463	74852
73007	73086	73169	73644	73768	74056	74330	74464	74855
73008	73089	73170	73645	73771	74058	74331	74467	74856
73009	73090	73173	73647	73772	74059	74332	74469	74857
73010	73093	73179	73651	73773	74061	74333	74470	74859
73013	73096	73401	73655	73801	74062	74335	74501	74868
73014	73097	73430	73661	73838	74063	74337	74522	74873
73015	73099	73432	73662	74001	74066	74338	74525	74875
73016	73102	73439	73663	74002	74070	74339	74530	74878
73017	73103	73443	73664	74003	74072	74340	74538	74881
73018	73104	73446	73673	74006	74073	74342	74553	74883
73020	73105	73447	73701	74008	74074	74343	74554	74884
73022	73106	73448	73703	74010	74075	74344	74556	74901
73026	73107	73449	73716	74011	74079	74346	74565	74902
73027	73108	73450	73717	74012	74080	74347	74601	74932
73028	73109	73453	73720	74014	74081	74349	74604	74946
73030	73110	73455	73722	74015	74084	74350	74630	74948
73032	73111	73458	73724	74016	74085	74352	74631	74954
73034	73112	73460	73726	74017	74103	74354	74632	74959
73036	73114	73461	73727	74020	74104	74358	74633	74962
73038	73115	73463	73728	74021	74105	74360	74636	74964
73041	73116	73501	73729	74022	74106	74361	74637	
73044	73117	73503	73731	74023	74107	74363	74640	
73045	73118	73505	73733	74026	74108	74364	74641	
73047	73119	73507	73734	74027	74110	74365	74643	
73048	73120	73521	73735	74028	74112	74366	74644	
73049	73121	73526	73736	74029	74114	74367	74646	
73050	73122	73527	73737	74032	74115	74368	74647	
73051	73127	73529	73738	74033	74116	74369	74650	
73053	73128	73530	73739	74034	74117	74370	74651	
73054	73129	73533	73741	74035	74119	74401	74652	
73058	73130	73542	73742	74036	74120	74403	74653	
73059	73131	73543	73743	74037	74126	74421	74701	
73061	73132	73547	73744	74038	74127	74423	74729	
73062	73134	73552	73746	74039	74128	74429	74730	
73063	73135	73556	73747	74041	74129	74434	74748	
73064	73139	73560	73749	74042	74130	74435	74801	
73065	73141	73564	73750	74044	74131	74436	74804	
73066	73142	73572	73753	74045	74132	74441	74824	
73067	73145	73601	73754	74047	74133	74446	74830	
73068	73149	73620	73755	74048	74134	74447	74832	
73069	73150	73622	73758	74050	74135	74450	74833	
73071	73151	73624	73759	74051	74136	74452	74834	
73072	73159	73626	73760	74052	74137	74454	74848	

Impact Analysis Map - Flooding

19-006-7 4/30 (Continuing) Severe Storms, Tornadoes and Flooding Event
Displaying Flooding Impacts Only

