

Bulletin 11-05 and Order

TO: All Licensed Insurers and Agents
FROM: Merle Scheiber, Director
DATE: June 15, 2011
RE: Temporary Suspension of Cancellation and Nonrenewals for Displaced Insureds

Due to the recent flooding in South Dakota, there have been mail service disruptions. This problem is even more serious for those citizens who have had to temporarily move or evacuate due to the flooding. Accordingly, many insureds in South Dakota have been unable to timely act or respond to their insurance needs.

Title 58, also known as the insurance code, contains various statutes and regulations dealing with notices and time frames for actions on the part of insureds. These statutes and regulations are in place to protect the interests of insureds and to prevent adverse actions against the insured without proper notice.

The Director has determined that due to the flooding and disruptions in the insurance industry and mail service, these objectives are not being met. The Director has also determined some of these statutes and regulations may be functioning to prejudice the insureds the statutes were meant to protect.

Therefore, it is here by ORDERED THAT no notice of cancellation or nonrenewal is valid between June 1, 2011, and September 1, 2011, for any South Dakota 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. However, nothing in this bulletin waives any requirement to pay premiums or remit consideration which may be due on any policy or contract during this period of time. Any failure to pay premiums or remit consideration that was due during and not paid by the end of the time frame June 1, 2011, to September 1, 2011, may be subject to retroactive cancellation back to the original date as if this bulletin had not been in effect.

This bulletin applies to all lines of insurance subject to the provisions of Title 58. Nothing in this bulletin requires an insurer to provide coverage to insured not displaced by the flooding or who is otherwise unaffected by any mail disruptions. Additionally, nothing in this bulletin shall be construed as preventing any insurer from denying coverage on the basis of fraud on the part of an insured. However, any insurer that wishes to administer compliance with this bulletin is permitted to apply this bulletin in a broader manner such as delineating zip codes, counties or other geographic areas for compliance.



Merle Scheiber, Director