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GOVERNOR

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**BULLETIN 19-01**

To: All Insurance Companies and Producers Writing in the State of Iowa  
From: Doug Ommen, Iowa Insurance Commissioner  
RE: Insurance Consumers impacted by flooding  
Date: March 27, 2019

The purpose of Bulletin 19-01 is to assist individuals and entities regulated by the Iowa Insurance Commissioner as emergency response teams and other citizens work to address the flooding affecting Iowa consumers.

**Cancellation Grace Period Due to Nonpayment or Late Payment**

The 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 flooded areas and areas 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**

While the affected areas are designated as a disaster, the Commissioner makes an additional request to all health insurers that provide health insurance with a network component. 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 work to recover from this serious flooding event.

**Counties that have been included in either a federal disaster declaration or a disaster proclamation issued by Governor Reynolds as of the date of this bulletin:**

Adair	Emmet	Monroe
Audubon	Fayette	Mills
Appanoose	Franklin	Monona
Black Hawk	Fremont	Montgomery
Bremer	Guthrie	O'Brien
Buena Vista	Hamilton	Page
Butler	Hancock	Palo Alto
Carroll	Hardin	Plymouth
Cass	Harrison	Pottawattamie
Cerro Gordo	Howard	Shelby
Cherokee	Humboldt	Sioux
Chickasaw	Ida	Tama
Clay	Iowa	Union
Clayton	Kossuth	Webster
Crawford	Lucas	Winnebago
Dallas	Madison	Winneshiek
Davis	Mahaska	Woodbury
Delaware	Marshall	Worth
Dickinson	Mitchell	Wright

**Expiration of bulletin**

This bulletin expires on the date that the disaster proclamation for the counties impacted by recent flooding expires, or on June 15, 2019, whichever is latest, unless extended by the Commissioner.

The IID will continue to review disaster declarations on a case-by-case basis and will provide additional guidance as necessary. Consumers must be protected from policy lapses during these critical times and the insurance industry needs consistent and predictable standards.

For questions or clarifications with regard to this Bulletin, please contact Tracy Swalwell at [tracy.swalwell@iid.iowa.gov](mailto:tracy.swalwell@iid.iowa.gov) or (515) 725-1249.