

MARKET BULLETIN

From	Director, Worldwide Markets (extn 6677)
Date	2 March 2006
Reference	Y3756
Subject	Mississippi: Hurricane Katrina. Bulletin issued by the Mississippi Department of Insurance – Bulletin 2006-3, Suspension of 180-day deadline for making repairs or providing notification of intent to make a claim for additional liability
Subject areas	Personal and commercial property replacement insurance policies from the US state of Mississippi affected by Hurricane Katrina
Attachments	None
Action points	Managing agents and Lloyd's brokers to note and comply with the provisions of the Insurance Bulletins
Deadlines	These requirements apply immediately

Purpose of bulletin

The purpose of this bulletin is to inform the market of the provisions of the Mississippi Department of Insurance ("the Department") Bulletin 2006-3, dated 24 February, 2006 which is now in force. The Bulletin is addressed to all insurance companies and eligible non-admitted insurers/surplus lines insurers doing business in Mississippi.

Bulletin No. 2006-3

The purpose of this Department bulletin is to suspend the 180-day deadline for making repairs or providing notification of intent to make a claim for additional liability which may apply to personal and commercial property replacement insurance policies covering structures damaged as the result of Hurricane Katrina (25 February, 2006 constitutes the passage of approximately 180 days since Hurricane Katrina's landfall).

[The Insurance Bulletin can be found via this link.](#)

Pursuant to Bulletin 2006-3, the following directives have been issued:

- i) Suspension of repair deadline - This applies to replacement property insurance coverage which provides that the policyholder may make a claim for loss or damage on an actual cash value basis, and then make a claim within 180 days after loss for any additional liability on a replacement cost basis. This may be interpreted as meaning that repairs must be made within 180 days in order to receive additional reimbursement on a replacement cost basis. Pursuant to Bulletin 2006-3, the 180-day deadline is suspended and shall not apply to Hurricane Katrina claims. This suspension of the repair deadline and/or the deadline for making a claim within 180 days after loss for any additional liability on a replacement cost basis is effective immediately and remains in effect until otherwise directed by the Commissioner of Insurance.
- ii) Suspension of notification of intent deadline - This applies to replacement property insurance coverage which provides that the policyholder may make a claim for loss or damage on an actual cash value basis, and then make a claim for any additional liability on a replacement cost basis, provided that the policyholder notifies the insurer of his or her intent to do so with 180 days after the date of loss. Pursuant to Bulletin 2006-3, the 180-day deadline is suspended and shall not apply to Hurricane Katrina claims. This suspension of the deadline for providing notice of intent to make a claim for additional liability on a replacement cost basis is effective immediately and remains in effect until otherwise directed by the Commissioner of Insurance.
- iii) Reasonable Diligence – Bulletin 2006-3 states that while the 180-day deadlines have been suspended, the failure of policyholders to make repairs in timely fashion and/or to make a claim within 180 days after loss for any additional liability on a replacement cost basis, or the failure of policyholders to provide in a timely fashion a notice of intent to the insurer to make a claim for additional liability on a replacement cost basis, may substantially delay the processing of their claims. The Department urges all policyholders to exercise reasonable diligence in making repairs or providing the required notice of intent in a timely fashion.

Managing agents should ensure that they, and the coverholders acting on their behalf, comply with these requirements.

Further information

If you have any queries about this market bulletin, please contact Lloyd's Worldwide Market Services:

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This market bulletin has been sent to active underwriters and to the compliance officers of managing agents and Lloyd's brokers.

Julian James
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