MEMORANDUM

DATE: March 27, 2020

FROM: Rhoshunda Kelly, Acting Commissioner

TO: Mississippi Premium Finance Company Licensees

SUBJECT: Interim Regulatory Guidance – Cancellations/Non-Renewals for Policyholders Impacted by the COVID-19 Pandemic

This memo is being issued in response to the emergency proclamation issued by Governor Tate Reeves on March 14, 2020 and in response to Bulletin 2020-3, as amended, issued by the Mississippi Insurance Department on March 25, 2020.

The proclamation declared a state of emergency and directed state agencies to utilize state resources and to do everything reasonable possible to assist communities and entities affected by the COVID-19 pandemic. The proclamation further directed that the provisions of state statutes, rules, regulations or orders may be temporarily suspended or modified if compliance with such provisions would prevent, hinder, or delay action necessary to cope with this outbreak.

Pursuant to Bulletin 2020-3, as amended, the Mississippi Department of Insurance, recognizing that the impact of the pandemic could negatively affect the economy of our State, causing a financial hardship on many citizens, issued a sixty (60) day moratorium on the cancellation/non-renewal of policies for the non-payment of premiums. The moratorium is effective as of March 24, 2020 and applies to all policies issued or issued for delivery in this State.

This Interim Guidance directs all premium finance company licensees acting, pursuant to Miss. Code Ann. Section 81-21-19, under a premium finance agreement that contains a power of attorney clause for a policy issued or issued for delivery in this State, to comply with the provisions of the Mississippi Insurance Department’s Bulletin 2020-3, as amended, a copy of which is attached hereto.

This Interim Guidance is intended to assist communities and entities affected by the COVID-19 pandemic as directed by the proclamation issued by Governor Reeves, dated March 14, 2020.

Should you have any questions regarding this matter, do not hesitate to contact me or Taft Webb at 601-321-6901.
BULLETIN 2020-3, as amended
MISSISSIPPI INSURANCE DEPARTMENT
MORATORIUM ON POLICY CANCELLATIONS/NON-RENEWALS FOR POLICYHOLDERS IMPACTED BY THE COVID-19 PANDEMIC
March 25, 2020

On March 14, 2020, Governor Tate Reeves declared a state of emergency to address the high risk for an outbreak of the novel coronavirus, identified as COVID-19, in this State. As a result of the COVID-19 pandemic, people have been quarantined and schools and businesses have closed. These necessary actions will certainly have a negative economic impact on our State which will result in a financial hardship for many citizens.

To assist Mississippian impacted by this pandemic and the closures and quarantines it has caused, the Mississippi Insurance Department (“Department”) is hereby issuing a sixty (60) day moratorium on the cancellation/non-renewal of policies for the non-payment of premiums, effective March 24, 2020. This moratorium shall apply to all policies issued or issued for delivery in this State.

Policyholders are advised that this moratorium is not a waiver of premium; rather, it is a moratorium on the cancellation or non-renewal of policies for the failure to pay premiums during the applicable 60-day period. Insurers are directed to work with impacted 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.

If a policy is to be canceled or non-renewed for legally recognized reasons other than a failure to pay premiums, the cancellation or non-renewal may be made pursuant to statutory notice requirements.

The actions taken by Governor Reeves and this office are intended to protect the citizens of this State and to help limit the economic impact of this crisis. Therefore, the Commissioner directs insurers to comply with the provisions of this Bulletin and to work with policyholders as everyone continues to assess the impact of the COVID-19 crisis.

Should you have any questions regarding this Bulletin, please contact the Department’s Legal Division at (601) 359-3577.

MIKE CHANEY
COMMISSIONER OF INSURANCE