



LOUISIANA DEPARTMENT OF INSURANCE
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ADVISORY LETTER NUMBER 06-01

April 6, 2006

TO: ALL PROPERTY INSURERS, SURPLUS LINES, and any and all other entities doing business in Louisiana and/or regulated by the Commissioner of Insurance and the Louisiana Department of Insurance

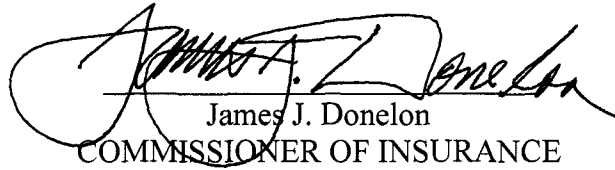
RE: INTERPRETATION OF EMERGENCY RULE 23 ON A SINGLE POLICY INSURING MULTI-STATE PROPERTIES

Pursuant to Section 4305 of Emergency Rule 23, the right of any insurer, surplus lines insurer or any other entity regulated by the Commissioner to cancel or non-renew a commercial insurance policy covering commercial property in Louisiana that sustained damage as a result of Hurricane Katrina and its aftermath or Hurricane Rita and its aftermath is suspended until 60 days after substantial completion of the repair and reconstruction of such property or December 31, 2006. Additionally, section 4307.A.1-4 of Emergency Rule 23 provides limited exceptions to the suspension of cancellation or nonrenewal of such commercial property insurance policies.

I have determined that a strict application of Emergency Rule 23 could interfere with a commercial property policy that provides insurance under a single policy for properties in multiple states. Emergency Rule 23 is not intended to interfere in such an extraterritorial fashion with a single policy that covers multi-state properties when one of the properties is located in Louisiana and is subject to Emergency Rule 23.

Therefore, all property insurers, surplus lines insurers, and any and all other entities doing business in Louisiana and/or regulated by the Commissioner are hereby advised that, subject to the exception below, they are not required to comply with Emergency Rule 23 in those instances where an insurer has issued a single policy that insures multiple properties that includes property both within Louisiana and outside Louisiana. In those instances where an insurer has issued a single property insurance policy that insures multiple properties, one or more of which are in Louisiana that had a claim for damages caused by Hurricane Katrina and/or Hurricane Rita, the insurer shall offer to the insureds of Louisiana a property insurance policy that is substantially similar in coverage terms and conditions, subject to appropriate adjustments agreed to by the insured, in order to be in compliance with Emergency Rule 23.

Any questions regarding Advisory Letter 06-01 should be directed to Mr. Warren Byrd, Executive Counsel, Office of the Commissioner of Insurance, at wbyrd@ldi.state.la.us or by telephone at 225-342-7276.



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COMMISSIONER OF INSURANCE