

Interpretation of the Statutory Accounting Principles (E) Working Group

INT 21-02: Extension of Ninety-Day Rule for the Impact of Hurricane Ida

GUIDANCE EXPIRED JANUARY 23, 2022

INT 21-02T Dates Discussed

September 9, 2021; November 10, 2021

INT 21-02T References

SSAP No. 6—Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers

INT 21-02T Issue

1. Hurricane Ida and its aftermath has resulted in tremendous loss of life and property, the extent to which is currently not known. The Federal Emergency Management Agency (FEMA) lists Louisiana, New Jersey and New York as having emergency declarations because of the hurricane and related flooding. This interpretation is intended to cover storm impacted policies in areas in which a state of emergency was declared. State insurance regulators and insurers are taking action to provide policyholders affected by this disaster with the support and understanding that is deserved.
2. Should a 60-day extension of the 90-day rule for uncollected premiums be temporarily granted to insurers for policies in U.S. jurisdictions where a state of emergency was declared which were affected by the hurricane, its aftermath and related flooding?

INT 21-02T Discussion

3. The Working Group reached a consensus for a one-time optional extension of the ninety-day rule for uncollected premium balances, bills receivable for premiums and amounts due from agents and policyholders required per SSAP No. 6, paragraph 9, as described within this paragraph.
 - a. For policies in effect as of the declaration of a state of emergency by either the states, U.S. territories or federal government, as described in paragraph 1, insurers with policyholders in areas impacted by Hurricane Ida, its aftermath and the related flooding may wait 150 days (90 days per existing guidance, plus a 60-day extension), not to extend beyond January 23, 2022, before nonadmitting premiums receivable from those directly impacted policyholders as required per SSAP No. 6, paragraph 9.
 - b. Existing impairment analysis remains in effect for these affected policies.
4. The Working Group noted that a temporary sixty-day (60) extension had previously been provided for other nationally significant disasters including *INT 20-11: Extension of Ninety-Day Rule for the Impact of 2020 Hurricanes, California Wildfires and Iowa Windstorms*, *INT 18-04: Extension of Ninety-Day Rule for the Impact of Hurricane Florence and Hurricane Michael*; *INT 17-01: Extension of Ninety-Day Rule for the Impact of Hurricane Harvey, Hurricane Irma and Hurricane Maria*; *INT 13-01: Extension of Ninety-Day Rule for the Impact of Hurricane/Superstorm Sandy*; and *INT 05-04: Extension of Ninety-day Rule for the Impact of Hurricane Katrina, Hurricane Rita and Hurricane Wilma*.

5. Due to the short-term nature of the applicability of this extension, which expires January 23, 2022, this interpretation will be publicly posted on the Statutory Accounting Principles (E) Working Group web page. This interpretation will be automatically nullified on January 24, 2022, and will be included as a nullified INT in *Appendix H – Superseded SSAPs and Nullified Interpretations* in the “As of March 2022” *Accounting Practices and Procedures Manual*.

INT 21-02 Status

6. No Further discussion is planned.