

**Bulletin 11-04 and Order**

TO: Property Casualty Insurers and Agents  
FROM: Merle Scheiber, Director  
DATE: June 10, 2011  
RE: Temporary Property Coverage Requirements

South Dakota has a number of disaster areas related to the recent flooding of the Missouri River. Numerous individual residences and businesses were located in evacuation zones. Under most commercial property coverages and some homeowner and related dwelling type policies, there are limitations of coverage for personal property removed from the insured premises.

It is the determination of the Director that leaving personal property in areas that either are or potentially are in evacuation zones increases the risk that the personal property will be subject to increased hazard for covered perils such as fire, theft and vandalism. These same policies also exclude coverage for neglect of personal property. Some policies also provide coverage for preservation of property. The Director further determines that such insureds cannot reasonably be compelled to comply with neglect and or preservation of property provisions while at the same time subjecting that property to drastically reduced levels of coverage.

Therefore IT IS HEREBY ORDERED that any property removed from its insured premises on or after May 25, 2011, from areas flooded or in danger of flooding from the Missouri River must be covered at the same amount as if the property were located at the insured premises. After July 8, 2011, insurers may subject the personal property to any applicable reduced coverages as provided for in the policy for being located away from the insured premises.

The July 8, 2011, time frame applicable to personal property removed does provide agents and their insurers time to extend or add coverage as may be needed by affected insureds. In order to expedite the providing of additional coverage for relocated personal property, a suspension of certain rate and form filing requirements is hereby provided. For any policy form issued in this state, which will add or enhance coverage for personal property located away from the insured premises for dates of coverage commencing between June 1, 2011, and September 1, 2011, and for which the insurer has not received prior approval of that policy form, IT IS FURTHER ORDERED that the normal filing requirements of those particular policy forms are waived pursuant to SDCL 58-11-15 and that such policy forms may be issued on a manuscript basis. Rates for

any such policy form exempt from filing are required to be reasonable pursuant to SDCL 58-24-5, but are not required to be filed with the Director for approval pursuant to Chapter 58-24.

In order to provide affected insureds with the information necessary to make claims and to take other steps as may be provided for or required under the terms of the policies, insurers must provide duplicate copies of policies to insureds upon request without charge.

If for reasons such as administrative efficiency an insurer wishes to comply with this bulletin by providing coverage to insureds on a wider basis than the identification of specifically affected insureds, such more favorable treatment is specifically permitted by this Bulletin. The more favorable treatment can include but is not limited to application of this Bulletin on a zip code or statewide basis.

The provisions of this Bulletin apply to any insurer providing coverage to an affected person in this state whether the coverage is provided on an admitted or surplus lines basis. Affected persons include coverage either upon individuals or their property located in this state.

A handwritten signature in cursive script that reads "Merle Scheiber".

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Merle Scheiber, Director