

**Interpretation of the Statutory Accounting Principles Working Group****INT 17-01: Extension of Ninety-Day Rule for the Impact of Hurricane Harvey, Hurricane Irma and Hurricane Maria****GUIDANCE DETERMINED TO BE NO LONGER RELEVANT****INT 17-01 Dates Discussed**

Email votes to expose September 7, 2017, and September 13, 2017; October 12, 2017

**INT 17-01 References**

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

**INT 17-01 Issue**

1. Hurricane Harvey, Hurricane Irma and Hurricane Maria and their aftermath have resulted in tremendous loss of life and property, the extent to which is currently not known. The Federal Emergency Management Agency (FEMA) lists Alabama, Florida, Georgia, Louisiana, Puerto Rico, South Carolina, Texas and the U.S. Virgin Islands as having emergency declarations because of a hurricane and tropical storm or related flooding. This interpretation is intended to cover storm-impacted policies for areas in which a state of emergency was declared. State regulators and insurers are taking action to provide policyholders affected by these disasters 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, tropical storm or related flooding?

**INT 17-01 Discussion**

3. The Working Group reached a tentative 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 directly impacted by Hurricane Harvey, Hurricane Irma, tropical storm Harvey, tropical storm Irma, Hurricane Maria, tropical storm Maria or the related flooding, as follows:

- 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 Harvey, Hurricane Irma, Hurricane Maria, tropical storm Harvey, tropical storm Irma, tropical storm Maria or the related flooding may wait 150 days (90 days per existing guidance, plus a 60-day extension), not to extend beyond February 15, 2018, before nonadmitting premiums receivable from those directly impacted policyholders as required per SSAP No. 6, paragraph 9. With the inclusion of Hurricane Maria, a collective expiration date of the interpretation on February 15, 2018, has been proposed. This will retain the same extension date which will avoid separate nonadmittance dates as a result of the two storms, which occurred in close proximity.
- b. Existing impairment analysis remains in effect for these affected policies.

4. The Working Group noted that a 60-day extension is consistent with previous temporary extensions that were granted for other nationally significant catastrophes including *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 February 16, 2018, this interpretation will be publicly posted on the Statutory Accounting Principles (E) Working Group's website. This interpretation will be automatically nullified on February 16, 2018, and will be included as a nullified INT in Appendix H – Superseded SSAPs and Nullified Interpretations in the *As of March 2018 Accounting Practices and Procedures Manual*. .

#### **INT 17-01 Status**

6. No further discussion is planned.