

December 27, 1984

SUBJECT: INSURANCE

CIRCULAR LETTER NO. 20 (1984)

December 27, 1984

TO: ALL INSURANCE COMPANIES AUTHORIZED TO TRANSACT PROPERTY INSURANCE BUSINESS IN NEW YORK STATE

RE: USE OF THE TWO-TIER ANTI-ARSON APPLICATION IN THE CITIES OF NEW YORK, BUFFALO AND ROCHESTER FOR RENEWAL POLICIES COVERING THE PERIL OF FIRE OR EXPLOSION

The two-tier anti-arson application was promulgated with the Second Amendment to Regulation 96 (11 NYCRR 62-4) to implement the provisions of Section 168-j of the Insurance Law (Section 3403, as recodified effective September 1, 1984, Chapter 367, Laws of 1984).

Questions have been raised regarding the reporting by an insured of extensive information on the application for renewal business, even if there is no change from the information previously furnished on a signed and affirmed anti-arson application.

Section 3403(f) states that:

"Insureds shall notify their insurer in writing of any change in the information contained in the anti-arson application, upon renewal or annually, whichever is sooner. A material misrepresentation in such notification shall be grounds to rescind the insurance policy."

Regulation 96, Section 62-4(c)(ii)(a), with respect to renewal business, requires the insurer to deliver an anti-arson application to the named insured at least 45 days but not more than 60 days in advance of the expiration date of the policy.

Section 62-4(c)(ii)(b) of such Regulation requires the insured to return the completed, signed and affirmed anti-arson application to the insurer 15 days prior to the expiration date of the policy.

The Department is of the opinion that, if there is no change, the insured need not complete the entire application but, after indicating that there is no change from the previous application, should return it signed and affirmed.

If there has been a particular change in response to a question, the change should be made and the insured should return the application signed and affirmed after indicating that all the other information remains the same as reflected in the previous application. While this is not specifically spelled out in the Regulation, there is no need to repeat the same information.

Although the two-tier anti-arson application requires the signature of the proposed insured, any person having received the power of attorney from the insured, which may be limited for this purpose, may sign and affirm the anti-arson application.

Very truly yours,

[SIGNATURE]

JAMES P. CORCORAN

Superintendent of Insurance