



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
ONE COMMERCE PLAZA
ALBANY, NY 12257

George E. Pataki
Governor

Howard Mills
Superintendent

Circular Letter No. 12 (2006)
May 10, 2006

TO: All Licensed Property/Casualty Agents and Brokers

RE: Notification of Availability of Flood Insurance

STATUTORY REFERENCE: Article 21

The Department wishes to continue its efforts to promote the education of homeowners in New York State with regard to the availability of Flood Insurance. The purpose of this circular letter is to recommend to producers that they advise homeowners of the availability of this coverage.

As the Department advised in Circular Letter 1 of 2005, homeowners' insurance does not cover most flood related losses. The Federal Government has responded by offering federally backed flood insurance under the National Flood Insurance Program (NFIP). Flood insurance policies are sold by licensed property/casualty insurance agents and brokers. The NFIP is administered by the Federal Emergency Management Agency (FEMA).

In keeping this in mind, the Department now recommends that, when a producer is either selling or renewing a homeowner's policy, it would be prudent for the producer to advise its client of the availability of flood insurance through the NFIP.

If, after being advised of the availability of flood insurance, the client declines the coverage, it would be prudent for the producer to have the client sign or initial a statement indicating that the client was advised of the coverage and declined to purchase it. This statement should be maintained by the producer as part of the client's file.

Producers can get more information about the NFIP by visiting FEMA's NFIP website at <http://www.fema.gov/business/nfip/>.

If you have any questions regarding this circular letter, please contact Patricia Douglas, Associate Insurance Examiner, at NYS Insurance Department, One Commerce Plaza, Albany, NY 12257, (518) 473-7933 or email [Ms. Douglas](mailto:Ms.Douglas).

Very truly yours,

Salvatore Castiglione
Assistant Deputy Superintendent &
Chief Examiner
Consumer Services/Licensing Bureau