



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
25 BEAVER STREET
NEW YORK, NEW YORK 10004

George E. Pataki
Governor

Howard Mills
Superintendent

Circular Letter No. 15 (2006)
July 7, 2006

TO: All Authorized Insurers

RE: Claims Handling and Cancellation/Non-Renewal of Policies in the Areas Impacted by the Recent Floods

The loss of life and property in the counties impacted by the recent storms and ensuing flooding, and the resulting emergency response, has caused considerable hardship and has disrupted the lives of thousands of residents and businesses in New York State. The long process of recovery has just begun, but it will be several weeks -- if not months -- before all of the damage can be assessed and the situation returned to some level of normalcy.

Insurers should be mindful of the difficulties the residents and businesses of this area have endured and will continue to endure in the near future. In particular, adjusters and underwriters should exercise care and responsible judgment in making determinations regarding claims, cancellations and non-renewals of policies insuring those impacted by this loss.

Pursuant to Insurance Law Section 3425(p) the Superintendent may declare a moratorium precluding termination of policies, or suspend or otherwise adjust the provisions relating to their cancellation or non-renewal, in areas of the State that have been declared by the President or the Governor to be in a state of emergency due to disaster or catastrophe.

The cooperation of all insurers in this matter will assist the Superintendent in his assessment of the situation, and in determining whether or not it will be necessary to exercise the emergency authority granted by Section 3425(p).

Very truly yours,

Howard Mills
Superintendent of Insurance