



**STATE OF NEW YORK  
INSURANCE DEPARTMENT**  
AGENCY BUILDING ONE  
EMPIRE STATE PLAZA  
ALBANY, NEW YORK 12257

**NOTE: WITHDRAWN EFFECTIVE AUGUST 6, 2004**

**Circular Letter No. 11 (2001)  
May 10, 2001**

**To: All Property/Casualty Insurers Licensed to Do Business in the New York State**

**Re: New York State Insurance Disaster Coalition**

In keeping with New York Governor George E. Pataki's mandate to anticipate potential problems for the citizens of New York State, this Circular Letter is intended to identify and organize specific Insurance Department and insurance industry resources to serve victims of natural disasters and other state emergencies. (This letter supercedes Circular Letter 1996-5)

When an emergency or disaster situation occurs, this Department is looked upon to provide the Governor and the State Emergency Management Office (SEMO) with critical information regarding the amount and extent of property losses, as well as other damage assessments. Based on this information the Governor determines whether and when to request a federal disaster declaration and how to prioritize the deployment of state assets.

The insurance community has been identified as a key resource to providing early assessments of damages arising from disasters. Insurers play an important role in quantifying the magnitude of losses - insured and uninsured - and determining both the degree and duration of insurer response to losses. Accordingly, all licensed property/casualty insurers are requested to assist this Department in obtaining the information needed to accomplish the above objective - both before and after disasters strike.

Furthermore, a "New York State Insurance Disaster Response Plan" has been developed by a public-private disaster coalition under the joint direction of the New York Department of Insurance, State Emergency Management Office, and the Institute for Business & Home Safety. The plan provides complete instructions for insurance disaster responders and can be found in the Emergency Disaster Information section of the Insurance Department's web site at [www.ins.state.ny.us/disaster.htm](http://www.ins.state.ny.us/disaster.htm). Insurance company catastrophe team leaders should be notified of the availability and content of this site.

The success of the New York State Insurance Disaster Response Plan and fulfillment of its critical mission require knowledgeable personnel operating in a partnering environment and within the larger incident command structure. Incorporation of the Insurance Disaster Response Plan into individual company catastrophe plans and a cooperative NYSID/Industry process of continuing evaluation and change are critical to this process, and therefore must be institutionalized.

In order to expedite New York's response time to catastrophes and facilitate the recovery of those who have insured losses, this plan provides the opportunity to forge a new private/public disaster planning team that will result in a comprehensive strategy for cooperation, communication and the leveraging of resources. The Insurance Department urges all property/casualty insurers to read the attached circular letter and participate in the Insurance Disaster Coalition. Broad range participation is essential.

Acknowledgment of this letter and instructions should be sent no later than June 1, 2001 to

Paul Orkwis, Principal Insurance Examiner  
New York State Insurance Department

Agency Building 1  
Empire State Plaza  
Albany, NY 12257  
porkwis@ins.state.ny.us

Acknowledgement should include the respondent's full name and title, company name, telephone number and email address. Any questions concerning this letter may be directed to Mr. Orkwis at (518) 474-9837, or by e-mail.

Very truly yours,

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Gregory V. Serio  
Superintendent

Attach.

### **PRE-DISASTER DATA/INFORMATION SURVEY**

Accurate, timely and consistent information is of critical importance to the State Emergency Management Office during disasters. To ensure that insurance industry information is readily available during disasters, effective the date of this Circular Letter, the Department requests the following information be provided by insurers:

- Annual Report -- All licensed property/casualty insurers provide to the Department's Market Section of the Property Bureau an annual report listing - by New York county - property exposure information, as of December 31, for personal lines (non-auto) and commercial lines (non-auto) for each licensed member within an insurance company group.

This information is to be provided for the following categories: total building and contents insurance in force for the lines indicated and total number of policies. Each insurer must provide the information by New York county by completing the reporting\_diskette.

The report for the year 2001 is due within sixty (60) days after the publication of this letter, and due thereafter each year on April 1. It is the responsibility of the insurer to honor this annual reporting deadline. The prescribed method for submitting reports can be found in the Department's web site at [www.ins.state.ny.us/disaster.htm](http://www.ins.state.ny.us/disaster.htm). See Appendix A. for Pre-Disaster Survey Instructions and Template.

- Insurance Company Disaster Liaisons – On or before June 15, 2001, each licensed property insurer shall provide to the Department's Consumer Services Bureau the name of the designated disaster liaison(s), along with that person's telephone and cell phone number(s) (for during business and after business hours), email address and/or pager number, if applicable. Any change in the liaison(s) and/or contact information should be reported immediately to the Consumer Services Bureau. (Appendix B.)
- Communications Network -- Insurance industry representatives of the NYS Insurance Disaster Coalition are requested to provide the Department with Internet links of not-for-profit web sites that are beneficial to the public before, during and after a disaster.
- Insurance Company Disaster Plan – In a subsequent communiqué, the NYS Department of Insurance will be issuing an electronic template for insurers to complete and submit a copy of their Disaster Response Plan. Upon receipt of that notification, insurers will be asked to submit their plan to the Consumer Services Bureau within sixty (60) days.

This plan will ask for such information as: How will the company handle the increase in the number of claims? Will the claims be handled by the local office structure, or through the establishment of a catastrophe claims office/center? Will the company 'import' claim representatives and adjusters from other areas? How will the company train its staff in emergency procedures and New York-specific insurance coverages? How will the company distribute catastrophe claims information, or communicate generally, with its policyholders?

In addition, each insurer will be asked to provide the name and contact information for the person designated to coordinate catastrophe loss response and activity in the State of New York, as well as to name that

person's back up. Contact information should include work and cell phone numbers, email addresses, and after hours contact numbers.

Any changes to this plan are to be reported to the Consumer Services Bureau by June 1 of each subsequent year.

All pre-disaster information may be sent by U.S. mail to the Department's Albany Consumer Services Bureau, attention Paul Orkwis, or by email to [porkwis@ins.state.ny.us](mailto:porkwis@ins.state.ny.us).

### **POST-DISASTER DATA/INFORMATION**

Insurers are requested to notify the Department whenever they activate, or may activate, their Hurricane / Windstorm Deductible as a result of a certain storm or event. When available, they may use the Disaster Coalition e-mail address ([nys\\_insurance\\_disaster\\_coalition@ins.state.ny.us](mailto:nys_insurance_disaster_coalition@ins.state.ny.us)); or they may notify the Department via facsimile, at (518) 486-1503, attention Salvatore Castiglione or Paul Orkwis.

#### **Insurance Adjuster Temporary Permits**

Section 2108(n) of the Insurance Law provides that:

"...the superintendent, in order to facilitate the settlement of claims under insurance contracts involving widespread property losses arising out of a conflagration or catastrophe common to all such losses, may issue a temporary permit for a term not exceeding one hundred twenty days to any person whether he be a resident of this state or a non-resident, to act as an independent adjuster on behalf of an authorized insurer, provided any insurer shall execute and file in the office of the superintendent a written application for the permit in the form prescribed by the superintendent, which application shall contain information as he may require and shall certify that the person named therein to be designated in on the temporary permit is qualified by experience and training to adjust claims arising under insurance contracts issued by the insurer. The superintendent may in his discretion renew such permit for an additional term or terms as may be necessary to adjust such claims."

Attached is a copy of the [Temporary Adjuster Permit Application](#). ([Appendix C-1](#), C-2.) Using this application will enable licensed insurers to certify that the application is submitted for the purposes identified in the law.

The Permit application calls for information regarding the occurrence that necessitates the temporary permit. This enables insurers to apply for temporary permits earlier, rather than waiting for a disaster declaration as was previously required.

Completed application(s) should be sent by facsimile to the Department's Licensing Services Bureau at (518) 474-5048, where it will be reviewed and acted upon immediately. Temporary permit(s) will be faxed to the insurer submitting the application(s).

This temporary licensing procedure will facilitate prompt services to those citizens suffering losses. Permit applications may also be downloaded from the Department's web site listed above for completion and submission to the Licensing Services Bureau. In the very near future, insurers will be able complete and submit these applications over the Internet and receive approval likewise.

#### **Insurance Company Disaster Liaisons**

Upon the Department's activation by SEMO due to a State Emergency Disaster situation (as defined by the SEMO Disaster Emergency Activation Levels listed below), a representative from the Department's Consumer Services Bureau may activate designated Insurance Disaster Liaisons representing the ten largest underwriters in the emergency or disaster areas. Participating companies will be determined based on the above Pre-Disaster Reports.

Subsequently, Liaisons should be prepared to participate in the State's Disaster Response Plan as follows:

- A teleconference will be held following the occurrence of a natural disaster – prior to the activation of the Department of Insurance Emergency Operations Center

(IEOC) – to discuss the disaster and activation plans.

- Upon the activation of the IEOC by SEMO, Insurance Disaster Liaisons or their designees will be expected to staff the IEOC at either of its two locations: Empire State Plaza, Agency Building One, Albany, NY; or 25 Beaver Street, NY, NY.
- Consumer Services Bureau will provide a fully equipped IEOC for Liaisons' use at either of the aforementioned locations. Included are data ports and telephone lines, along with electronic and videoconferencing links to the SEMO emergency operations center.
- The Consumer Services Bureau will continue to coordinate communications among company and association contacts through ongoing teleconference calls to plan staffing of the IEOC for the actual or threatening (as in the case of hurricanes) emergency; individually discuss with each insurer's liaison the company's catastrophe operations; individually review each insurer's response plans; and discuss catastrophe operations and emerging issues.
- Liaisons may be expected to remain on duty at the IEOC for as long as SEMO's Emergency Operations Center remains at Level 4 or higher activation.

#### Liaison Duties and Responsibilities

- Liaisons should have a qualified back up. Both will preferably be a member of the insurer's catastrophe team, or a manager-level employee, who are familiar with company protocols and have access to critical information.
- Provide coverage data and loss statistics by New York county that summarizes commercial and personal lines separately.
- Transmit information on the disaster from the insurance industry to emergency response officials and also back to other industry representatives.
- Should be authorized and knowledgeable in company internal information systems and sources, and authorized to access such systems so that applicable, timely information can be provided to SEMO via the Insurance Department.

#### Emergency Operation Center Hours of Operation

Normal hours of operation when Liaisons will be on duty are 7:00 a.m. to 6:00 p.m., or for such time periods as necessary to assist with the effective management of the disaster. Depending on the level of the disaster this may be a seven-day a week commitment.

#### Coverage Data and Loss Statistics

In the ensuing days after a disaster, Liaisons will be required to provide specific statistics from each licensed insurer. These statistics will be periodically updated on an as needed basis, but not less than monthly.

Reports will be consolidated by CSB staff for submission to SEMO and the Governor's office only.

- Commercial insurance data -- to include figures for the total number of losses and total claim amount (paid and/or reserved) by New York county.
- Personal insurance data -- to include figures for total number of losses and total claim amounts (paid and/or reserved) under the categories of homeowners, automobile, other and National Flood Insurance Program - Write Your Own by New York county.

Number of available adjusters.

- Other aspects of catastrophe claim operations and customer service issues. (Appendix D)

#### Confidentiality

All of the above reports and statistics are to be compiled and summarized by Insurance Department personnel for internal Department use. Reports submitted to SEMO and the Governor will be on an aggregate basis with no individual company information identified in those reports.

Insurance Department personnel will be advised by Insurance Department management that all such information provided by publicly-traded insurers must be kept strictly confidential; that such information may be material, non-public information; and that trading in securities on the basis of material, non-public information is prohibited under the federal securities law.

At the time of submission, insurers should request an exception from disclosure under Section 89(5) of the Public Officers Law (Freedom of Information Law- FOIL) for any information or reports they submit to the Insurance Department that they believe are trade secrets or commercial information which, if disclosed, would cause substantial injury to their competitive position.

In the event that a request is received by the Department for the release of information pursuant to FOIL and the insurer requested an exception from disclosure upon submission, the insurer will be notified and given the opportunity to respond to the Department in accordance with FOIL and Regulation 71 (11 NYCRR 241.6).

#### Access to Disaster Areas

In order to facilitate the settlement of claims and gathering of loss information, law enforcement officials working in designated emergency areas will recognize a license issued by this Department to adjusters, agents, and brokers. Insurance company personnel will be recognized by their company ID and photo ID. Law enforcement officials will grant access to emergency areas to those personnel who possess and display appropriate documentation – after SEMO determines that the emergency area is safe for non-emergency personnel.

#### Insurance Personnel Identification

A picture identification document, such as a driver's license or company photo ID tag, should be displayed on the adjuster's person along with the NYS Insurance Department Temporary Adjuster Permit. Agents and brokers will be identified via their agent or brokers license along with their photo ID. All other insurance company personnel will be identified via their insurance company ID or a photo ID.

Law enforcement officials will also recognize a document issued by an insurer to a regular salaried employee designated by that insurer to adjust losses on its behalf in the disaster area. Again, these individuals must display a photo identification document as well.

Names and identifying information for persons receiving temporary permits will be made available to law enforcement officials through SEMO. IEOC personnel will be responsible for notifying SEMO representatives when access to an emergency area that has been declared safe is not granted to an authorized adjuster. Adjusters will request assistance from the IEOC in these instances.

### **EMERGENCY ACTIVATION LEVELS: NY STATE EMERGENCY MANAGEMENT OFFICE (SEMO)**

The following Emergency Activation Levels have been established for the operation of the New York State Emergency Operations Center (EOC):

#### **LEVEL 1**

Normal operations during business hours: 9:00 a.m. to 5:00 p.m. with after-hours calls

handled by the State Emergency Coordination Center.

**LEVEL 2**

This level triggered by weather warnings, identified threats from man-made sources, and emerging local events. SEMO and relevant agencies on standby 24-hours daily. SEMO staff on campus to assist State Emergency Coordination Center staff with local inquiries for technical support.

**LEVEL 3**

This level triggered when local community or region requests state assistance. Depending on the extent of the state affected, relevant agency's report to the EOC and a State Disaster Declaration is considered. SEMO staff on campus 8:00 a.m. to 6:00 p.m. daily. Select staff available 24-hours daily to assist State Emergency Coordination Center staff with local inquiries for technical support and state resource assistance. All Disaster Preparedness Commission (DPC) Agencies on 24-hour alert.

**LEVEL 4**

This level triggered by declaration of State Disaster. Relevant state agencies reside at EOC during working hours and after hours, as necessary. All other Disaster Preparedness Commission (DPC) Agencies on-call status for 24-hours daily. Information gathered for possible FEMA Federal Disaster Assistance request. Decision-level SEMO staff at EOC 24-hours daily.

**LEVEL 5**

This level triggered when event exceeds statewide capacity; significant federal resources mobilized. All DPC agencies active at EOC; center staffed 24-hours daily. SEMO staff 12-hour shifts, seven days a week.

**Appendices**

(Note: Except for the Temporary Adjuster Permit, these documents are no longer current)

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| <b>Appendix A</b>  | <b><a href="#">Pre Disaster Survey General Instructions</a></b> (Word Format)   |
| <b>Appendix A1</b> | <b>New York State Insurance Department<br/><a href="#">Instructions For Completion of Special Report Diskette</a></b> (Excel Version)<br>◆ Lotus Format   |
| <b>Appendix A2</b> | <b>Special Report to the Superintendent of Insurance<br/>New York State Insurance Department<br/>Emergency Response Project<br/><a href="#">Personal Lines Property Coverages - Calendar Year Data</a></b> (Excel Version)<br>Note: Opens in Excel as READ ONLY. Save to your hard drive <u>before</u> entering data.<br>◆ Lotus Format   |
| <b>Appendix A3</b> | <b>Special Report to the Superintendent of Insurance<br/>New York State Insurance Department<br/>Emergency Response Project<br/><a href="#">Commercial Lines Property Coverages - Calendar Year Data</a></b> (Excel Version)<br>Note: Opens in Excel as READ ONLY. Save to your hard drive <u>before</u> entering data.<br>◆ Lotus Format |
| <b>Appendix B</b>  | <b>Insurance Company Disaster Liaisons</b> (Word Format)  |
| <b>Appendix C1</b> | <b><a href="#">Application for Temporary Independent Adjuster's Permit</a></b> (PDF Format)<br><b><a href="#">Online Version</a></b>  |
| <b>Appendix D</b>  | <b>Disaster Loss Data</b> (Word Format)<br><b>Online Version</b>  |