



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

David A. Paterson  
Governor

Eric R. Dinallo  
Superintendent

**Circular Letter No. 18 (2008)  
August 13, 2008**

**TO: ALL INSURERS WRITING HOMEOWNERS AND DWELLING FIRE PERSONAL LINES POLICIES IN NEW YORK STATE, INSURANCE PRODUCER ORGANIZATIONS, AND THE EXCESS LINE ASSOCIATION OF NEW YORK**

**RE: FLOOD INSURANCE NOTICE REQUIRED BY SECTION 3444 OF THE NEW YORK INSURANCE LAW**

**STATUTORY REFERENCE: SECTION 3444 OF THE INSURANCE LAW**

This Circular Letter supersedes Circular Letter No. 18 (1994), which is hereby withdrawn.

Chapter 21 of the Laws of 2008, effective August 31, 2008, amended Section 3444 of the Insurance Law to require that the flood insurance notice required by that statute be provided annually.

Recent natural disasters and changing weather patterns show that flood prone areas and even geographical regions not usually associated with floods can be besieged by flood waters. Nearly 95% of all communities in New York State have qualified to participate in the National Flood Insurance Program, making homeowners residing in these participating communities eligible to purchase federal flood insurance. Unfortunately, in the past, some homeowners learned that they had no flood coverage only after a devastating flood.

Many insureds may be unaware that their homeowners and dwelling fire policies do not cover flood damage. Consumers may not realize that a separate federal flood insurance policy must be purchased to protect against the peril of flood and mudslides caused by flood. New York residents currently receive a notice that discusses (a) the

exclusion of flood loss in their regular homeowners policies and (b) the availability of a federally-insured program. Section 3444 of the Insurance Law formerly provided that an insured receive a flood notice only at policy issuance. The recent amendment to Section 3444 now provides that "the policyholder notice required by this section shall accompany all new homeowners and dwelling fire personal lines policies and all renewal homeowners and dwelling fire personal lines policies."

Thus, in accordance with that statute, every insurer must provide an annual notice prescribed or approved by the Superintendent to all homeowner and dwelling fire insureds that explains that: (a) their policies do not provide coverage for loss caused by flood or mudslide; and (b) flood insurance is available under separate policies issued pursuant to the National Flood Insurance Program. The notice also must include information regarding flood insurance eligibility and access, and must be worded in a manner that does not alarm insureds or entice them into purchasing unnecessary coverage.

If an insurance policy placed with an unauthorized insurer by an excess line broker is not accompanied by a flood insurance notice as provided under Section 3444 and this Circular Letter, the excess line broker should deliver the flood insurance notice to the insured.

To comply with Section 3444, insurers may use: (a) the disclosure notice set forth below prescribed by the Superintendent; or (b) another notice filed with and approved by the Superintendent that satisfies Section 3444's requirements. Such notice should be clear and conspicuous.

Here is the flood insurance notice that the Superintendent has prescribed:

#### IMPORTANT FLOOD INSURANCE NOTICE

Your homeowners or dwelling policy does NOT provide coverage for loss caused by flood or mudslide, which is defined, in part, by the National Flood Insurance Program as:

A general and temporary condition of partial or complete inundation of normally dry land areas from overflow of inland or tidal waters or from the unusual and rapid accumulation or runoff of surface waters from any source.

If you are required by your mortgage lender to have flood insurance on your property, or if you feel that your property is susceptible to flood damage, insurance covering damage from flood is available on most buildings and contents in participating communities through the National Flood Insurance Program.

Information about flood insurance and whether your community participates in the program can be obtained from your insurance company, from your insurance agent/broker, or directly from the National Flood Insurance Program by calling 1-800-638-6620 or via their website at <http://www.floodsmart.gov>.

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All companies should acknowledge receipt of this Circular Letter in writing by notifying:

Gerald Scattaglia  
Assistant Chief Examiner  
New York State Insurance Department  
25 Beaver Street  
New York, New York 10004  
or via e-mail at [gscattag@ins.state.ny.us](mailto:gscattag@ins.state.ny.us)

Insurer use of the prescribed form above is automatically approved. Use of any other form for the required flood insurance notice should be submitted to the Department for approval prior to its use. When acknowledging this letter, please indicate what form your company intends to use. Please direct any questions concerning the subject to Mr. Scattaglia, (212) 480-5583 or [gscattag@ins.state.ny.us](mailto:gscattag@ins.state.ny.us).

Very truly yours,

Larry Levine  
Assistant Deputy Superintendent & Chief  
Property Bureau