



NEW YORK STATE  
DEPARTMENT *of*  
FINANCIAL SERVICES

Andrew M. Cuomo  
Governor

Benjamin M. Lawskey  
Superintendent

Insurance Circular Letter No. 8 (2012)  
November 5, 2012

TO: All Authorized Insurers

RE: Modification of Inspection Requirements for Property/Casualty Insurance Policies

STATUTORY AND REGULATORY REFERENCES: Insurance Law §§ 2601, 3404

On October 26, 2012, in anticipation of extensive power outages, loss of life and property, and ongoing harm to public health and safety expected to result from then-Hurricane Sandy, Andrew M. Cuomo, Governor of the State of New York, issued Executive Order 47, declaring a State of Disaster Emergency for all 62 counties within the State of New York.

As anticipated, Storm Sandy struck New York State on October 29, 2012, causing extensive power outages, loss of life and property, and ongoing harm to public health and safety. The counties of New York, Bronx, Kings, Richmond, Queens, Nassau, Suffolk, Westchester, Rockland, and Orange suffered the greatest storm damage.

The property damage caused by Storm Sandy has, in many cases, created debris and other hazards that pose an ongoing threat to public health and safety and that need to be discarded as promptly as possible in order to preserve health and safety. Accordingly, the Superintendent has determined that it would be dangerous to public health and against public policy for insurers to enforce provisions of their policies that operate to bar insureds from disposing of damaged property before the insurer has inspected it.

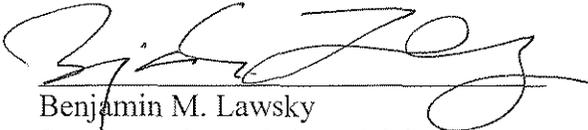
Accordingly, insurers must accept homeowners' documentation of losses rather than requiring an inspection first where an immediate cleanup is reasonably necessary to protect health and safety, or protect further damage to property.

For claims under homeowners' insurance, if dwelling debris must be removed before the adjuster is able to examine it, insurers should accept as proof of loss documentation such as photographs, videos, material samples and inventories prepared by policyholders as alternatives to formal inspection.

This Circular Letter covers homeowners' insurance policies. Flood insurance policies are covered by Federal Emergency Management Agency ("FEMA") regulations. FEMA is also expected to issue guidance on this issue. Policyholders with both homeowners' and flood insurance should follow FEMA rules to preserve their claims under the flood insurance program.

Any authorized insurer that fails to act in accordance with this circular letter will be subject to liability for engaging in an unfair claim settlement practice as prohibited by Article 2601 of the Insurance Law.

Very truly yours,



Benjamin M. Lawsky  
Superintendent of Financial Services