

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
REVIEW STANDARDS FOR PERSONAL INLAND MARINE

LINE OF BUSINESS: Inland Marine
CODE: 9.0000

LINE(S) OF INSURANCE	CODES
<u>Other Personal Inland Marine</u>	<u>9.0006</u>
Pet Insurance Plans	09.0004
Boatowners/Personal Watercraft	9.0010

IF CHECKLIST IS NOT APPLICABLE, PLEASE EXPLAIN:

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
GENERAL REQUIREMENTS FOR ALL FILINGS		The following web site represents the Department's initiative to streamline the procedures for form, rate and rule filings: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	Form/Page/Para Reference
COVER LETTER AND EXPLANATORY MEMORANDUM	CL 11 (1998)	A cover letter is no longer required for filings submitted through SERFF. The filing should include an explanatory memorandum clearly explaining the intent of the filing, and highlighting any substantive changes (such as changes in ratemaking methodology or major coverages provided). If new form(s), territories, classification(s), or rule(s) are being filed and there are similar ones currently approved for use by a Rate Service Organization (RSO) or another insurer, or has been the subject of a filing previously not approved in New York, reference should be provided to the Department's file number or SERFF tracking number and effective date of the approval, or copies of the approved items should be included, if applicable. If the filing is currently in use in another state, this should be indicated.	
EXCLUSIONS & LIMITATIONS			
Discrimination	§2606, §2607, & §2608	Unfairly discrimination provisions because of race, color, creed, national origin, disability (including treatment of mental disability), sex, and marital status are prohibited.	
Intentional Acts	§1101(a)	The provisions of the Insurance Law do not permit coverage for Intentional Acts. However, coverage must be provided for the "innocent insured."	
FILING SUBMISSION	§2305 & §2307 CL 19 (1992) Supplement No 1 to CL 11 (1998)	Forms, territories, classifications, rating rules, rates and rating plans are subject to prior approval.	
Compliance Questionnaires, Forms and Optional "Speed to Market" Filing Procedures	CL 11 (1998) Supplement No 3 to CL 11 (1998)	Please refer to the following web site for additional information: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	

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NO FILE OR FILING EXEMPTIONS	Article 63 11NYCRR16 (Reg. 86)	A (Personal Lines Policies) policy may be written as a Class 2 risk as long as it appears on the lists of eligible Class 2 risks contained in Section 16.12(e) of Regulation No.86. An authorized insurer must obtain a "Special Risk License" prior to writing business in the "Free Trade Zone." Although filing is not required for a Class 2 risk, rates and policy forms applied to special risks must still satisfy governing standards set forth in the Insurance Law and regulations.	
PROHIBITED COVERAGES		While the Department does not have an exhaustive list, some examples of prohibited coverages include punitive damages and corporal punishment. Please refer to the following web site for additional information: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	
SIDE BY SIDE COMPARISON	CL 11 (1998)	If the filing is a revision to existing form(s), territories, classification(s) or rule(s); Except for simple, non-substantive changes, a side-by-side comparison of the form(s) or rule(s) being proposed and those currently in use in New York, with all changes clearly marked and explained in the company's cover letter or memorandum must be included. Revisions to classifications and territories should include a comparison between those currently on file (in New York) and those proposed, including relevant statistical data (experience) and any rate or rate relativity effect. There should be a reference to the Department's previous file number and/or a copy of the approval letter in which the current form(s), territories, classification(s) or rule(s) were approved/acknowledged.	
FORMS: POLICY PROVISIONS	§2307, §3105, §3106, , §3407, §3407-a, §3435 & Article 54 11 NYCRR 86 (Reg. 95) 11NYCRR153 (Reg. 135)		Form/Page/Para Reference
APPLICATIONS			
Filing exemption	§2307(b)	Applications which do not become part of the policy are exempt from filing requirements	
Fraud Warning Statement	§403(d) 11NYCRR86.4 (Reg. 95)	None required on Personal Inland Marine Policy Forms or applications (only claim forms)	
APPRAISAL			
Procedure for selection of umpire	§3408	While an appraisal provision is not required, such provision must comply with the requirements of §3408 for selection of an umpire on failure to agree.	
ARBITRATION		Arbitration of disputes between an insured and the insurer may not be required.	
BLANK ENDORSEMENTS		Not permitted since a blank endorsement may change policy provisions without the proper approval by this Department. An exception may be made for a blank form if its usage is apparent based on the title/language of the form itself (such as a change in address form). Forms containing check boxes with a space for language to be added are considered blank endorsements and are subject to these rules.	

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CANCELLATION & NON-RENEWAL	§3425	Please refer to Compliance Questionnaire No. PLCNR for detailed cancellation and nonrenewal requirements: Personal Lines (other than auto) Cancellation and Nonrenewal Form Filing Compliance Questionnaire Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	
Notice of Cancellation	§3425(b), (c), & (h)	The notice of cancellation must include a specific reason or reasons of such cancellation and must be sent to the named insured at the address shown in the policy. Please refer to Item I.A of Personal Lines (other than auto) Cancellation and Nonrenewal Form Filing Compliance Questionnaire, available at: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers .	
Notice of Non Renewal	§3425(d)	The nonrenewal provisions must comply with statutory time frame for giving notice and must be sent to the named insured at the address shown in the policy. Please refer to Item I.B of Personal Lines (other than auto) Cancellation and Nonrenewal Form Filing Compliance Questionnaire, available at: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers .	
Required Policy Period	§3425(a)(7) & (q)	Three year unless compliance with statutory reasons.	
Permissible Reasons for Cancellation	§3425(b) & (c)	A policy may be cancelled for any valid underwriting reason during the first 60 days a policy is in force. After the first 60 days, reasons for cancellation are limited to statutory references. The reason for cancellation must be specifically listed in notice.	
Permissible Reasons for Non Renewal	§3425(d) & (e)	A valid underwriting reason must be specifically listed in notice.	
Conditional Renewal	§3425(d)	A conditional renewal notice is required for any change in the policy less favorable to the policyholder. Please refer to Item II.B of Personal Lines (other than auto) Cancellation and Nonrenewal Form Filing Compliance Questionnaire, available at: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers .	
DEFINITIONS	§1113(a)(20) & §2310(b) & (c) CL 22 (2000)	If a particular class or type of insurance cannot reasonably be categorized within the Nation-Wide Marine Definition or Section 1113(a)(20) of the Insurance Law, it should not be classified as inland marine. Please refer to Circular Letter No. 22 (2000).	
Inland Marine Definition		Pertains to the insuring of property in transit over land; the insuring of property which is mobile by nature and for which there is no fixed sites; and the insuring of property which are instruments of communication or transportation such as bridges, tunnels, piers or television antennas	
Nation-Wide Marine Definition		The Nation-Wide Marine Definition as adopted by the National Association of Insurance Commissioners, describes the kinds of risks and coverages which may be classified or identified as marine, inland marine or transportation insurance. New York adopted, with exceptions, the 1976 version of the nationwide definition.	
Ocean Marine Definition		Insurance covering damage to ships or vessels and the goods they carry while on the ocean or inland waters.	

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FORMS MISCELLANEOUS	§3407(a)	All Property and Casualty insurance policies must contain a provision equal or more favorable to the provisions of §3407(a)	
Numbered Forms	§2307(b)	All policy forms and endorsements filed with the Department must include an identification number.	
Unlicensed Companies	§2307(b)	All policy forms and endorsements filed with the Department may only include the names of insurers licensed in the State of New York.	
LIBERALIZATION CLAUSE			
LOSS SETTLEMENT			
Action Against Company			
OTHER INSURANCE			
STANDARD PROVISIONS FOR FIRE POLICY FORM FILING			
SUBROGATION			
PARTICIPATING POLICIES	§4106	A participating policy provision is not required. However, when the provision is included, the board of directors may make reasonable classifications of policies in order to issue payment of dividends. Such classifications must be filed for approval and be fair and not unfairly discriminatory.	
VOIDANCE	§3105 & §3106	May not void a policy unless the misrepresentation is material. No misrepresentation shall be deemed material unless knowledge by the insurer of the facts misrepresented would have led to a refusal by the insurer to make such contract. .	
WARRANTIES	§3106	A breach of warranty shall not void a policy unless the breach of warranty is material.	

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RATES & RATING PLANS	§2304 & §2344 11NYCRR161 (Reg. 129) Supplement No 4 to CL 11 (1998)	All rates, rating plans, and rating rules filings must be submitted in accordance with the instructions of Supplement No. 4 to Circular Letter 11 (1998) which outlines the new mandatory filing procedures effective September 16, 2002. These procedures contain the minimum required information that must accompany all rate, rating plan, and rating rule filings. Rate filings must include appropriate supporting information as outlined in the Rate Filing Sequence Checklist. Please note the relevant requirements contained in Section 2304 of the New York Insurance Law. Please refer to the following web site for additional information: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	Form/Page/Para Reference
ADOPTIONS OF RATE SERVICE ORGANIZATIONS (RSO) FILINGS			
Me Too Filings	§2306 11 NYCRR 161.7 (Reg. 129)	The insurer may discharge its rate filing obligation by giving notice that it uses rates and rate information prepared by a designated rate service organization. Please refer to Regulation 129 for the filing of rates and the relation and role of rates published by a rate service organization and the Department's web site for additional filing information: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	
CONSENT-TO-RATE	§2309	The application for an excess rate is subject to prior approval. In addition, the application must include the insured's reasons and the application must be signed by the insured.	
PRICING	§2304 & §2344 11NYCRR161 (Reg. 129) CL 19 (1992) & CL 4 (1996)	The following web site contains the mandatory filing procedures: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	
Minimum Premium Rules		Minimum Premium Rules- the submission should evidence the relationship between the amount charged as a minimum premium and the costs associated with producing the policy or coverage. Return Premium/Minimum Earned Premium Rules - the submission should specify that the policy will be pro-rated or short-rated due to mid-term termination of the policy. Premium may be considered fully earned only for policies insuring special events that are only a few days in length.	
Multi Tiering		Eligibility requirements for each tier must be submitted. The tier eligibility requirements must be specific and mutually exclusive, so that no insured would be eligible for more than one tier. The rate effects of the tier eligibility requirements should not be duplicated in any rating plans. Justification must be provided for the rate differential for each tier.	
Payment Plans		Payment plans are outside of the rating structure, and do not have to be filed with the Department or included as part of the manual rates.	

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Service Charges		Late payment fees, reinstatement fees, and premium installment fees are to be classified as service fees that are outside of the rating structure, and do not have to be filed with the Department or included as part of the manual rates.	
RATING PLAN REQUIREMENTS	§2344 11NYCRR161.8 (Reg. 129)	Rating plans are subject to prior approval. Even if the insurer is adopting a rating plan from a Rate Service Organization (RSO) without modification, such plan is subject to the prior approval requirements.	
Expense Reduction Plan		The minimum basic limits premium is \$10,000. In addition, an Expense Reduction Plan may: (1) permit only expense reductions that can be demonstrated; (2) provide for the proper documentation by the insurer of all such expense reductions; (3) not provide for reduction in the insured's premium based upon a reduction in the otherwise applicable commission payable to the agent or broker, unless made part of the insurer's filed and approved expense reduction plan and such reductions are applied in a fair and nondiscriminatory manner to all eligible classes of risk; and(4) not provide for modification of rates in excess of minus (-) 15 percent.	
RATE/LOSS COST SUPPORTING INFORMATION			
Actuarial or other Rate Support	11NYCRR161 (Reg. 129) CL 19 (1992) Supplement No 4 to CL 11 (1998)	Rate making and supporting information for rates, rating plans, and rating rules must be organized into exhibits, which follow a sequential numbering system. The Rate Filing Sequence Checklist and the related instructions prescribe the required format used to support rate, rating plan, and rating rule filings, available at: Rate, Form, Territory, Classification and Rule Filing Instructions for Property/Casualty Filers	