

NYPIUA PRODUCER NEWS

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INSURABILITY GUIDELINES FOLLOWING SUPERSTORM SANDY

New York Property Insurance Underwriting Association is committed to assist homeowners obtain needed insurance coverage following Superstorm Sandy subject to the insurability guidelines contained in its Plan of Operation as approved by the Department of Financial Services.

During this unique and unprecedented circumstance, the Association recognizes that flexibility needs to be applied to the underwriting guidelines in the affected areas because of the challenges homeowners are currently facing while arranging for necessary funding and obtaining contractors to commence property restoration.

The following summarizes our approach to underwriting storm damaged homes and apply **only to buildings that are structurally sound**. The homes may be either currently occupied or temporarily unoccupied due to damage from the storm. In all cases, the owner must intend to repair the building for occupancy.

I. Building is Unoccupied

If the building is currently unoccupied as a result of material damage caused by Superstorm Sandy (currently uninsurable in accordance with section 4.a):

NYPIUA will provide the same coverage as an occupied building if:

- The homeowner intends to repair the building, and
- The homeowner is in the process of arranging for repairs. This includes arranging for financing, choosing a contractor, or awaiting a contractor's availability to begin repairs, and
- The building is secured against unauthorized entry as described in Part C of form UA-484 (see attached), and
- The property is otherwise in compliance with the insurability guidelines.

NYPIUA will provide immediate binding (in place of 17-day binding for vacant buildings) if:

- Photos accompany the application showing the damaged areas and evidence of adequate security.
- Otherwise, the application will be underwritten with 17-day binding in accordance with existing insurability guidelines. Continued coverage will be based on an inspection of the property.

This does not apply to properties that were vacant prior to Superstorm Sandy.

According to the Plan of Operation, the limit of liability for unoccupied/ vacant buildings is \$100,000. For buildings meeting the above criteria, NYPIUA will provide coverage up to the inner limit of \$600,000.

II. Building is Occupied

If the building is currently occupied and storm damaged as a result of Superstorm Sandy (currently uninsurable in accordance with section 4.d):

NYPIUA will provide coverage if:

- The homeowner intends to repair the building, and
- The homeowner is in the process of arranging for repairs. This includes arranging for financing, choosing a contractor, or awaiting a contractor's availability to begin repairs.
- The property is otherwise in compliance with the insurability guidelines.

NYPIUA will provide immediate binding if:

- Photos accompany the application showing the damage, and
- The property is otherwise in compliance with the insurability guidelines.

The property will be subject to 17-day binding and inspection if photos do not accompany the application.

The buildings insured during this time will be reviewed to measure the progress of the repairs and to reconfirm that the insured's intent to repair the property has not changed.

The guidelines are "temporary" and may be withdrawn at any time by the Association.

Note that applications that fail to disclose prior losses will be non-accepted.