



### **PIANJ regulatory update**

#### **DOBI: “Sandy NOT a hurricane”**

Following discussions and analysis of the relevant National Hurricane Center data, the New Jersey Department of Banking and Insurance notified PIANJ and insurers yesterday that it would be issuing a bulletin today (Oct. 31) declaring that the storm "Sandy" which caused widespread damage across the state was not a hurricane.

This distinction is important, as the New Jersey Administrative Code allows for the imposition of hurricane deductibles only in certain circumstances, namely when a named storm is deemed to be a hurricane. Specifically, Exhibit D to the appendix to N.J.A.C. section 11:2-42.7 states "This deductible applies, as described below, in the event of direct physical loss to property covered under this policy, caused directly or indirectly in the event of a hurricane named by the National Weather Service or its successor from which sustained hurricane force winds of 74 miles per hour or greater have been measured in New Jersey by the National Weather Service (regardless of whether the sustained hurricane force winds reach the risk insured under the policy) and shall replace any other applicable deductible in that event.

Because the storm "Sandy" did not result the necessary sustained hurricane force winds of 74 miles per hour in New Jersey, it was not deemed to be a hurricane, and accordingly, no mandatory or optional hurricane deductible should be applied to the payment of claims for property damage attributable to storm "Sandy."

PIANJ will post the bulletin to [Storm Info Central](#) and the [PIANJ home page](#) when it is available. As a service to PIA members and their clients, Storm Info Central has been moved to our public pages to allow members to access without requiring their logon information.

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***Think PIA first***

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