



Department of Financial Services

ANDREW M. CUOMO
Governor

LINDA A. LACEWELL
Superintendent

March 10, 2020

TO: All authorized Property/Casualty Insurers

RE: CALL FOR SPECIAL REPORT PURSUANT TO SECTION 308, NEW YORK INSURANCE LAW: BUSINESS INTERRUPTION AND RELATED COVERAGE WRITTEN IN NEW YORK

Pursuant to Section 308 of the New York Insurance Law, the Department of Financial Services (“DFS”) hereby instructs each authorized property/casualty Insurer (collectively, “Insurers”) to provide certain information regarding the commercial property insurance it has written in New York and details on the business interruption coverage provided in the types of policies for which it has ongoing exposure. For the purpose of this letter, DFS considers commercial property insurance to include the following, along with substantially similar insurance: business owner policies, commercial multiple peril policies, and specialized multiple peril policies.

By way of background, in connection with the outbreak of the novel Coronavirus (“COVID-19”), policyholders have urgent questions about the “business interruption” coverages provided by their commercial property insurance policy. Policy terms may vary in treatment of “covered perils” and “physical loss or damage.” Coverage implicated by COVID-19 may change depending on how the situation evolves. Given the potential impact of COVID-19 on business losses, particularly concentrated effects in local communities, DFS considers Insurers’ obligations to policyholders a heightened priority. In the interest of the timely and equitable fulfillment of insurance contracts, Insurers must explain to policyholders the benefits under their policies and the protections provided in connection with COVID-19. Any Insurer that writes none of the business described herein should notify DFS in a statement signed by an officer or other authorized representative of the Insurer in lieu of complying with the provisions below.

First, each Insurer should provide to DFS the volume of business interruption coverage, civil authority coverage, contingent business interruption coverage and supply chain coverage the Insurer wrote that has not lapsed as of the date of this letter, which should be expressed in amounts of direct premium, policy types and numbers of policies written of each type.

Second, each Insurer should examine the policies it has issued and explain the coverage each policy offers in regard to COVID-19 — both presently and as the situation could develop to change the policyholder’s status (i.e., is there any potential for coverage as a result of COVID-19).

