



Department of Business Regulation

Insurance Division

1511 Pontiac Avenue, Bldg. 69-2

Cranston, Rhode Island 02920

Insurance Bulletin 2012-4

Storm Sandy Update

CAT Claim Reporting Form and Claims Handling

The Department issues this Bulletin to provide additional guidance to licensees on claims reporting and claims handling relating to Storm Sandy. Please refer to [Industry Alert 2012-4](#) and [Industry Alert 2012-3](#) for information on prior declarations issued by the Department.

CAT Claim Reporting Form relating to Sandy:

Insurers are required to complete the [attached claim reporting form](#) and return it to the Department by the due dates indicated on the form. If a company has multiple insurers within a holding company group it will NOT be necessary to complete an excel sheet for each insurer. The holding company group should aggregate the information into the one excel spread sheet. The report submitted to the Department must be made in excel (do not convert to pdf). Please note that we are requesting data be submitted at the zip/county level, therefore we have provided the state zips and corresponding cities/towns and incorporated the appropriate macros to assist in completing the form.

Supplied data is confidential commercial data protected under [R.I. Gen. Laws §38-2-2\(5\)\(b\)](#) except when aggregated with data from all other insurers in a manner that does not permit any individual company information to be identified.

Please submit your completed report electronically to Beth Vollucci, Insurance Rate Analyst at beth.vollucci@dbr.ri.gov by the due dates indicated in the excel sheet. The first report is due November 13, 2012. In subject line, please refer to the actual report number (i.e, 1st report, 2nd report, etc in accordance with due dates specified).

Claims Handling:

- Rhode Island law and regulation requires the prompt investigation of all claims including investigation of the causation of loss to ascertain if coverage exists on a claim-by-claim basis.

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- Insurers have a duty to properly investigate all claims to ascertain if coverage exists including the applicability of policy provisions such as sump pump and/or water backup endorsements.
- In order to qualify for federal disaster assistance, insureds may be required to furnish evidence that the insurer has denied their claim in whole or in part. In cases in which an insurer is denying a claim, the insurer must provide proper documentation to the resident or business owner to allow for application for federal disaster assistance.
- In light of the large volume of claims that will result from the disaster, the Department will extend the timelines established by [Insurance Regulation 73](#). These extensions, however, do not relieve the insurer of its obligation to be reasonable and promptly acknowledge and investigate claims as expeditiously as possible.
- The Department expects insurers to extend deadlines and offer other courtesies to claimants who have been displaced from homes or businesses and are unable to meet reporting timelines as specified in insurance policies.
- Insurers should establish expedited claim processing procedures and simplified claim reporting forms where appropriate.
- All claim forms must provide the required fraud warning statement pursuant to [R.I. Gen. Laws § 27-29-13.3](#).
- Insurance Bulletins [2003-4](#) and [2004-3](#) concerning settlement of claims involving total loss vehicles are applicable and must be followed.

Premium Payments, Vacancy Provisions and Other Policy Provisions:

- The Rhode Island Insurance Division requires all insurers operating in Rhode Island to provide prompt and immediate relief to those policyholders impacted by the disaster, including the temporary suspension of premium payments and suspension of vacancy provisions or other obligations under the policy for those temporarily displaced. A 90-day period from date of loss is deemed reasonable, however, insurers should accommodate reasonable requests for extensions under the specific circumstances related to that affected insured or claimant.
- The Division will work with insurers to minimize the regulatory effects of an insurer's suspension of premium payments, specifically in regard to financial review requirements.
- The term "suspension" is not intended to mean forgiveness of the premium, rather, it refers to an extended grace period for the payment of premium.

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- Insurers are also encouraged to work with policyholders with regard to the collection of premiums, including granting requests for reasonable payment plans.

Underwriting:

- It is not appropriate for insurers to re-rate, cancel, nonrenew, or refuse to provide insurance coverage due solely to an individual's status as a victim or evacuee of this disaster.
- It is not reasonable to change policyholders' rating classifications or increase their insurance rates solely because they are victims or evacuees.
- For workers compensation claims, insurers are reminded of [Underwriting and Classification Assignment Guidelines](#) for risks adversely impacted by severe weather events.
- Insurers should also be mindful of the provisions of [R.I. Gen. Laws §§ 27-76-1 et seq.](#) and [Insurance Regulation 116](#) Use of Credit, Extraordinary Life Events.

Questions on this alert may be directed to Paula Pallozzi, Chief Property & Casualty Analyst at paula_pallozzi@dbr.ri.gov.

Please forward this alert to respective staff accordingly.

Joseph Torti III
Superintendent of Insurance
November 5, 2012