URB INSIDER

A Quarterly Publication of Underwriters Rating Board

March/April, 2006

Volume 5, Issue 1

In this Issue:

Editor's Note: The material contained in this publication is provided as information only, and is not intended to be construed or relied upon as legal advice in any manner. Always consult an attorney with the particular facts of a case before taking any action. The material in this publication was not necessarily prepared by an attorney admitted in the jurisdiction of the materials presented in the publication.

TRIA Disclosure Status

As you know, the Terrorism Risk Insurance Extension Act of 2005 was signed on December 22, 2005. It extends the Terrorism Risk Insurance Act, as amended, from January 1, 2006 until December 31, 2007.

We wrote to the New York State Insurance Department to inquire if they would consider approving non-certified terrorism endorsements. Revised disclosures were also sent to the Department.

They have responded that the Department has approved only "certified terrorism" exclusion endorsements for covered lines under TRIA which satisfy the "make available" requirement of the ACT. A substantive response was not provided as to whether they will reconsider this position in light of the removal of some lines of business from TRIA as a result of the extension of the ACT. As such, it appears the exempted lines of business would be covered for terrorism without any federal backstop.

The Department did not review the revised disclosure notices we sent to them and have taken the position that they are not subject to the Department's approval. They cite Circular Letter No. 1 (2006), in which it is stated that the model disclosure notice forms adopted by the NAIC may continue to be used pending further guidance from the Treasury.

URB has two general notices similar to the model notices that were updated and sent to the Department for informational purposes. The line specific notices in the form of endorsements which are the FL-116, LS-.116, MR-116 and SF-116, were reviewed and approved by the Department in 2003 but were not reviewed in their 2006 revised versions although they are in the form of endorsements. The NAIC model forms are on their website at www.NAIC.org.

We will continue to follow this issue for further guidance from the Treasury.◆

In the News TRIA Meeting

New York's Superintendent of Insurance, Howard Mills, was the chair on Wednesday, March 29, 2006 in New York City at a public hearing of the National Association of Insurance Commissioners (NAIC) Terrorism Insurance Implementation Working Group. According to the press release issued by the Department, the Group was to examine possible market solutions to ensure the continued affordability and availability of terrorism coverage after the extended federal Terrorism Risk Insurance Act (TRIA) expires on December 31, 2007.

The hearing was held at the Westin New York at Times Square, 270 West 43rd Street, at 8th Avenue, Manhattan.

For more information or to view the complete press release, go to the NYSID website at www.ins.state.ny.us.◆

Anonymous Commission Study

This information was compiled and published with the permission of the participating companies, the identities for which have been withheld from the other participants and for publication. The study results are offered as general information.

	Company 1	Company 2	Company 3	Company 4	Company 5	Company 6	Company 7	Company 8	Company 9
Ratio 1									
Year 2004	19.31%	18.44%	19.79%	19.99%	16.61%	15.00%	17.60%	17.62%	19.96%
Year 2005	19.30%	18.60%	19.75%	19.98%	16.79%	15.01%	17.37%	17.60%	15.12%
Ratio 2									
Year 2004	7.64%	14.62%	0.00%	3.97%	23.81%	15.45%	39.96%	1.55%	-1.12%
Year 2005	0.98%	11.88%	0.00%	3.12%	24.06%	15.36%	39.94%	2.40%	0.00%
Ratio 3									
Year 2004	3.07%	1.87%	5.35%	1.82%	2.34%	2.95%	2.67%	1.56%	0.90%
Year 2005	2.35%	2.45%	5.26%	1.59%	2.85%	3.11%	1.15%	2.13%	2.77%
Ratio 4									
Year 2004	0.74%	2.79%	0.00%	0.90%	0.00%	0.00%	0.00%	0.00%	0.00%
Year 2005	-0.43%	27.09%	0.00%	-0.47%	0.005	1.72%	0.00%	0.00%	0.00%
Ratio 5									
Year 2004	19.54%	19.60%	19.79%	21.29%	15.71%	15.52%	18.48%	19.07%	21.42%
Year 2005	19.41%	19.22%	20.57%	20.51%	15.12%	15.03%	17.70%	18.31%	15.66%
Ratio 6									
Year 2004	7.64%	14.98%	0.00%	4.09%	18.64%	15.44%	39.96%	3.11%	-1.12%
Year 2005	0.98%	10.80%	0.00%	3.11%	19.71%	15.36%	39.95%	4.44%	0.00%
Ratio 7									
Year 2004	3.11%	1.98%	5.35%	1.94%	2.21%	3.05%	2.81%	1.69%	0.97%
Year 2005	2.37%	2.53%	5.47%	1.64%	2.56%	3.12%	1.17%	2.22%	2.87%
Ratio 8									
Year 2004	0.74%	2.86%	0.00%	0.93%	0.00%	0.00%	0.00%	0.00%	0.00%
Year 2005	-0.43%	24.63%	0.00%	-0.47%	0.00%	1.72%	0.00%	0.00%	0.00%
Ratio 9									
Year 2004	25.00%	22.28%	26.20%	23.60%	16.99%	19.33%	22.80%	20.40%	22.59%
Year 2005	23.80%	23.68%	26.40%	22.90%	17.18%	18.33%	20.08%	19.90%	21.60%
Ratio 10									
Year 2004	19.40%	20.31%	25.28%	21.61%	20.76%	17.94%	20.19%	19.17%	20.89%
Year 2005	20.64%	20.17%	25.15%	21.66%	19.66%	18.13%	18.42%	19.73%	21.70%

Ratio 1 = Direct Excluding Contingent/Written Premium
Ratio 2 = Reinsurance Ceded Less Contingent/Written Premium
Ratio 3 = Contingent Direct/Written Premium
Ratio 4 = Contingent Reinsurance Ceded/Written Premium
Ratio 5 = Direct Excluding Contingent/Earned Premium
Ratio 6= Reinsurance Ceded Less Contingent/Earned Premium
Ratio 7 = Contingent Direct/Earned Premium
Ratio 8 = Continent Reinsurance Ceded/Earned Premium
Ratio 9 = Homeowners Comparison from the IEE
Ratio 10=CMP Commission from the IEE

CASE BRIEFS

"We," "Us," And "Our" Ambiguous In Policy, Holds Court

Allcity Insurance Company appeals a judgment of Supreme Court, Kings County, that effectively obligated it to defend and indemnify its insured in an underlying action. Royston Jeffrey v. Allcity Insurance Company et al. 2006 NY Slip Op 01142.

Jeffrey purchased an insurance policy from Allcity through a broker. The policy required Jeffrey to notify "the Company providing this Insurance" in the event of an "occurrence, claim or suit...as soon as practicable." On October 17, 2000, Jeffrey learned that Patricia Brown had been injured at the insured property the previous day. Three months later, and again in 2001, he notified his broker. He did not notify Allcity directly, and it first received notice of the claim on March 7, 2002.

An insurance policy provision requiring the insured to notify the insurance company of a covered occurrence is a condition precedent to the company's duty to defend or indemnify claims against the insured (*See* Empire City Subway Co. v. Greater N.Y. Mut. Ins. Co., 35 NY2d 8; Centrone v. State Farm Fire & Cas., 275 AD 2d 728). "Absent a valid excuse, a failure to satisfy the notice requirement vitiates the policy" (Security Mut. Ins. Co. of N.Y. v. Aker-Fitzsimons Corp., 31 NY 2d 436, 440).

The Appellate Court said, "In this case, Jeffrey correctly argues that the notice provision was ambiguous because it used pronouns "we," "us," and "our" to describe who should be notified without clearly identifying Allcity...and that, given the ambiguity, the contract should be interpreted to allow notice to the broker." The Appellate Court affirmed the decision of Supreme Court.◆

Tangential Connection To Gravity Not Gravity At All

Defendant, Hotel Syracuse, Inc., appeals from an order of the Supreme Court, Onondaga County that denied their motion for summary judgment to dismiss the amended complaint.

Supreme Court, Appellate Division, Fourth Department stated in the case of Harmon v. Hotel Syracuse, Inc., 2006 NY Slip Op 00734 , "We agree with Hotel Syracuse, Inc. that Supreme Court erred in denying that part of defendant's motion for summary judgment dismissing the Labor Law §240(1) cause of action on the ground that the injuries sustained by David Harmon were not caused by an elevation-related hazard and thus the statute does not apply herein."

"The hazard causing plaintiff's injuries ...was only tangentially connected to the effects of gravity"

It is undisputed that plaintiff was holding a compressor near his feet while standing on a ladder and that the compressor swung into the ladder on which plaintiff was standing when plaintiff's coworker, who was holding the other end of the compressor, unexpectedly released it. Although plaintiff was standing on a ladder when the incident occurred, plaintiff did not fall from the ladder, nor did the compressor strike him.

The Appellate Court held the hazard causing the injuries was only tangentially connected to the effects of gravity.◆

Crystal Clear Result

Plaintiff commenced this action against Wal-Mart Stores, Inc., Floor Management, Inc., and Crystal Clear Nationwide Management, to recover damages for personal injuries allegedly sustained when she slipped and fell on a wet, waxed floor. The work was done by Crystal Clear. Floor Management moved for summary judgment on its third-party claim for indemnification on the grounds that it subcontracted its work to Crystal Clear. Wal-Mart cross moved. The court denied Floor Management's motion and granted Wal-Mart's. This appeal followed.

As a general rule, no duty is owed by the employer of an independent contractor to an unintended third-party beneficiary, and the risk of loss is equitably placed on the independent contractor because of the employer's lack of control of the performance of the work (*See* Kleeman v. Rheingold, 81 NY2d 270, 273-274 [1993]). The record did not indicate any evidence that Floor Management was negligent in hiring or training Crystal Clear. The Appellate Court held Floor Management was entitled to indemnification. Duffy v. Wal-Mart Stores, Inc., and Floor Management, Inc. v. Crystal Clear Nationwide Management doing business as Deluxe Cleaning et al., 2005 NY Slip Op 10190.◆

Tree Decay Not An Affirmative Act

Plaintiff, Barbara A. O'Brien, suffered injuries in August 1998, when she stepped into a ground hole three to five feet deep in Central Park in Schenectady. Thereafter, plaintiffs commenced an action against the city.

Plaintiffs allege that defendant city caused the dangerous condition by burying a tree stump above the groundwater table, causing it to become hollow due to decay and that the city had constructive knowledge of this condition.

The matter proceeded to trial and, upon defendant's motion for a directed verdict at the close of proof, Supreme Court concluded no record evidence existed that defendant, as opposed to natural decay, caused the condition.

It is well settled that when a property owner creates a dangerous condition by his or her "own affirmative act [the]...usual questions of notice of the condition are irrelevant" (Cook v. Rezende, 32 NY2d 596, 599 [1973]; *see* Richardson v. Schwager Assoc., 249 AD2d 531, 532 [1998]; Cruz v. City Tr. Auth., 136 AD2d 196, 198 [1988]).

Plaintiffs' experts could not determine when the tree was buried or when it rotted. Plaintiffs contend that Supreme Court should have instructed the jury to consider whether defendant created the dangerous condition through an affirmative act of negligence in burying the tree approximately 75 years before O'Brien stepped into the hole.

Even assuming that defendant did bury the tree above the water table and, thereafter, failed to ensure that the tree's deterioration over time did not create a hole, "[a]t most, [defendant's] conduct amounted to nonfeasance." (Monteleone v. Incorporated Vil. of Floral Park, 74 NY2d 917, 919 [1989]). "Thus, defendant did not create the dangerous condition," said the court. The rotting of the tree over time was held by the Appellate Court not to be an affirmative act of negligence. O'Brien v. City of Schenectady, 2006 NY Slip Op 01209.◆

Two Plaintiffs, One Award

Each of two infant plaintiffs resided in the same apartment and suffered injury as a result of exposure to lead. Defendant, Allstate Insurance Company, insured the building owner under a homeowner's liability policy with a coverage limit "per occurrence" of $200,000. The issue is whether defendant is liable in the aggregate for $200,000 or $400,000.

In relevant part, the policy provides:

"Regardless of the number of insured persons, injured persons, claims, claimants or policies involved, our total liability under the Coverage X—Family Liability Protection for damages resulting from one occurrence will not exceed the limit shown on the Policy Declarations. All bodily injury and property damage resulting from continuous or repeated exposure to the same general conditions is considered the result of one occurrence."

The IAS court correctly held that by reason of this clause, and notwithstanding that each plaintiff may have ingested the lead at different times, both plaintiffs' exposure to the same lead hazard in the same apartment constituted only one occurrence subject to the $200,000 policy limit.

The court said, "Nor is there anything about this clause to suggest that it was intended only to prevent multiple recoveries by a single claimant where policies have been renewed as in Hiraldo v. Allstate Ins. Co. (___ NY3d ___, 2005 NY LEXIS 2698)."

Ramirez v. Allstate Ins. Co., 2006 NY Slip Op 01356.◆

Abutting Landowner Liability

The plaintiff, Francine Cannizzaro allegedly sustained personal injuries when she tripped and fell on a "cracked" public sidewalk in Hempstead, on a sidewalk abutting commercial premises subleased to defendant Westbury Garden Center by defendant Avis Service, Inc., and owned by Simco Management Company.

As a general rule, a landowner or tenant will not be liable to a pedestrian injured by a defect in a public sidewalk abutting its premises (See Hausser v. Giunta, 88 NY2d 449, 452-453; Sammarco v. City of New York, 16 AD3d 657, 658). However, an abutting landowner or tenant will be liable if it either "created the defect, caused it to occur by a special use, or breached a specific ordinance or statute which obligates the owner to maintain the sidewalk." (Jeanty v. Benin, 1 AD3d 566, 567; see Lowenthal v. Theodore H. Heidrich Realty Corp., 304 AD2d 725, 726).

The Appellate Court held that Simco, Avis and Westbury demonstrated their entitlement to judgment as a matter of law by presenting evidence that none of the elements necessary to impose liability upon an abutting landowner or tenant are present. Cannizzaro v. Simco Management Co., et al., 2006 NY Slip Op 01271.◆

CASES AROUND THE NATION

In PA, No Coverage For Fellow Employee

Appellant insurer appeals from an order entered on September 9, 2004 in the Allegheny Court of Common Pleas in which the trial court ordered Appellant insurer to defend and indemnify Clinton Boyd in a suit filed against him by Appellee.

The company insured Northeast Networking Systems, Inc., under a business auto policy. The policy excludes coverage for injuries that the insured would be liable for under a workers compensation law. Both the individuals, Boyd and Fornicoia, were employees of Northeast at the time they were involved in a motor vehicle accident.

While Boyd and Fornicoia were on an overnight business trip in Virginia, they went to dinner where they both consumed alcoholic beverages. Boyd was the only person authorized to drive the company car, and he did. They were involved in a single car accident in which Fornicoia was seriously injured. Both filed workers compensation claims and Fornicoia brought a tort action in Florida.

Boyd's defense was undertaken on a reservation of rights and the insurer argued Fornicoia's suit was not covered by the policy because of the workers compensation and fellow employee exclusions.

The Appellate Court agreed with the trial court that the employee indemnification and employers liability exclusions did not apply in this instance. But they held that the fellow employee exclusion did apply. The insurer was not responsible for defending Boyd and paying any verdict. Atlantic States Insurance Company v. Northeast Networking Systems Inc., Clinton Boyd and Charles Fornicoia, 2006 PA Super 22.◆

In CT, Admission Doesn't Equal Damages

The issue in this certified appeal is whether a plaintiff in a negligence action must be awarded nominal damages, thereby making the defendant liable for costs, when the defendant admits liability but denies having caused the alleged injury, and the fact finder thereafter concludes that the plaintiff failed to prove that he suffered any injury as a result of the defendant's conduct.

A prior case held that a defendant's admission of liability establishes that the plaintiff has suffered a "legal injury" and therefore is entitled to at least nominal damages.

In the present case, when faced with a jury verdict of zero economic and noneconomic damages, after instructing the jury that the defendant, Kimberly Breen, had admitted liability, the trial court relied upon Keller v. Carone, 138 Conn. 405, and its progeny to grant the motion by the plaintiff, Robert Right, for nominal damages and costs. On the defendant's appeal, the Appellate Court affirmed.

The Connecticut Supreme Court concluded that a plaintiff in a negligence action is not entitled to nominal damages as a matter of law, when the defendant has admitted liability but has denied having caused the actual injury and the jury awards no damages to the plaintiff.

The Connecticut Supreme Court expressly overruled that portion of the prior case that held contrary to their reasoning in this case, and reversed the judgment of the Appellate Court. Robert Right v. Kimberly Breen, (SC 17439).◆

Post Office Can Sometimes Be Sued

Under the Postal Reorganization Act, the Federal Tort Claims Act (FTCA) applies to "tort claims arising out of [Postal Service] activities." 39 U.S.C. §409(c). The FTCA waives sovereign immunity in certain cases involving negligence committed by federal employees in the course of their employment.

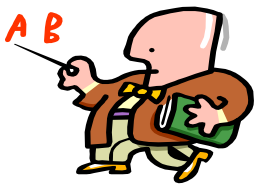
Consequently, the United States may be liable if postal workers commit torts under local law, but not for claims defined by the exception in the law for delivery of mail.

Dolan filed an FTCA suit against the postal service for injuries she sustained when she tripped and fell over mail left on her porch.

The district and the circuit court dismissed Dolan's claim pursuant to the exception. The question is whether the exception preserves sovereign immunity in this case.

The Supreme Court held the exception inapplicable based on the reasoning that under state law a person injured by tripping over a package or bundle negligently left by a private party would have a cause of action for damages. The Supreme Court reversed the case. Dolan v. Postal Service (No.04-848), 377 F.3d 325 285.◆

SCHOLASTICALLY SPEAKING...



BY PROFESSOR I.M. SMART

What's In A Name...Coverage Or No Coverage Most Likely

These days, there is a general concern that people should plan their cashflow, their retirement and their estate, among other issues. When it comes to planning an estate, a person or couple may wish to transfer the title of real property to another person or persons in order to protect that property for estate planning purposes. However, the person or persons who own the property may continue to retain an ownership interest during their lifetime with respect to that real property.

For example, a widow who owns her residence free and clear of any incumbrance may want to be sure a medical provider cannot take the value of the property in the event she requires medical care for which she cannot pay.

If this widow has close family members such as children or siblings, she may wish to modify the title of the residence by deed that is recorded to reflect that she reserves a life estate in the property and devises any future interest to her children or siblings.

The widow has the "use" of the property for the remainder of her life and is responsible for the maintenance, repairs and taxable charges for the property.

The person or persons who receive the "remainder" after the widow dies, hold a future interest in the property while she is alive. The persons who hold the future interest will inherit the property at the time of the widow's death without going through the probate process. While the widow is alive, she cannot alienate the real property without the cooperation and signatures of the remaindermen. However, during the widow's lifetime, her property cannot be taken away from her by the remaindermen.

Moreover, the additional benefit to the widow and to her heirs, is that the value of the life estate is based on a predetermined formula, which is likely to be less than the full value of the property for lien purposes.

Another method for transferring the title of property for estate planning purposes is the use of a trust. All trusts consist of a grantor or creator, grantee or trustee, property (res), beneficiary or beneficiaries and a purpose.

Trusts can take effect during the grantor's life time, known as inter vivos trusts or they can take effect at the time of the grantor's death known as testamentary trusts. Trusts can also be revocable, meaning they can be changed or irrevocable, meaning they cannot be changed.

There are any number of various kinds of trusts which include charitable trusts, grantor retained trusts and personal residence trusts.

The title to the property placed into the keeping of the trust now carries with it both legal and equitable ownership. It is a method used to protect property for the benefit of others. It is the personal residence trust and also the qualified personal residence trust that come into play regarding the title of a homeowners policy.

Whether a life estate or a trust is used to protect property so it may be passed on to other persons, both methods change the name that the property is held in and may affect the nature of the coverage under a homeowners insurance policy.

Seldom does the literature of the day mention homeowners insurance in the scope of estate planning. Very little literature seems to discuss life estates as they are related to homeowners insurance. To a great degree, it is up to homeowners insurance carriers to determine if they are willing to place remaindermen who hold future interests to property on policies as additional insureds or if they are willing to make a life estate or trust either the named insured or an additional insured on the policy. A key issue is the nature of the ownership interest of the person seeking the insurance.

At least with trusts, some organizations have specific forms that insure the trust or make it an additional insured. In addition, many companies to date have simply added a trust as an additional insured and may not have had any significant difficulty with processing the resulting claims.

With trusts, it is important to begin the insuring process with a thorough knowledge of the risk. This will include what property the trust holds. It will be important to know if any of the property is of a business nature, and if the trust is revocable or irrevocable. Insurers should know if the trustee has any maintenance responsibilities or physical control over the property. It is also invaluable to know if the beneficiaries have any rights under the trust and what are the qualifications of the trustee.

Some methods used by insurers with these "alternative" forms of trust ownership include a trust as an additional insured or a trust as an additional insured with expanded coverage. Also in the marketplace, there are dwelling premises liability packages for trusts or the trust can be treated as a named insured or a co-named insured. Companies have been known to designate either the trust or the trustee as the named insured and there is no clear advantage of one situation over the other.

These alternative forms of ownership are prevalent insurance and legal issues today that we are actively researching to implement forms that will provide constituents with a mechanism to insure property held with titles of this nature. We will keep you advised as this area evolves and as we look at possible solutions for insuring these types of risks.◆

From The Insurance Department

Here is an overview of three recent opinions from the Office of General Counsel at the New York State Insurance Department. The excerpts are presented in this context as they may be relevant to the business of URB constituents, and are presented for your information and review.

The Department issued an opinion of counsel on January 9, 2006, regarding the validity of a nonpayment cancellation notice.

The question presented is: "Under N.Y. Ins. Law §3425 (McKinney Supp. 2005), is a nonpayment cancellation notice valid if it does not state the amount due on the face of the notice, but refers the insured to a premium statement that accompanies the notice, which states the amount due?"

The Department's conclusion is No, the nonpayment cancellation notice is not valid since it does not state the amount due on the face of the notice. In its analysis, the Department cites N.Y. Ins. Law §3425(c) (McKinney Supp. 2005, as amended by Ch. 675 of the Laws of 2003) which states in relevant part, as follows:

(c) After a covered policy has been in effect for sixty days or upon the effective date if the policy is a renewal, no notice of cancellation shall be issued...unless it is based on one or more of the following:

(1) With respect to automobile insurance policies:

(a) nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform the insured of the amount due...(emphasis added).

The Department's analysis cites that the memorandum in support of Ch. 675 of the Laws of 2003 states that the purpose of the Amendment to Section 3425(c)(1)(A) was to assure "that cancellation notices for nonpayment specify in the notice the amount due that must be paid in order to prevent cancellation of the policy."

The Department issued an opinion of counsel on March 8, 2006 regarding if an excess line or other insurer may in an insurance policy exclude coverage for loss or damage resulting from criminal acts, such as arson, committed by the employees of the insured, with respect to the peril of fire.

The Department's conclusion is No, an excess line or other insurer may not exclude coverage in an insurance policy for loss or damage resulting from criminal acts with respect to the peril of fire but may exclude coverage for "loss occurring...while the hazard is increased by any means within the control or knowledge of the insured."

In its analysis, the Department cites that N.Y. Ins. Law §3404 sets forth the minimum provisions an insurance policy must contain with respect to the peril of fire, including policies issued in the excess lines market.

Any policy that insures against the peril of fire must incorporate "terms and provisions no less favorable to the insured than those contained in the [standard policy]," N.Y. Ins. Law §3404 (f)(1)(A) (West, WESTLAW through L. 1990, c. 27 legislation). The standard policy exclusion provision entitled "Conditions suspending or restricting insurance," states that damages will be disclaimed "for loss occurring...while the hazard is increased by any means within the control or knowledge of *the* insured" (emphasis added). The standard policy is the minimum level of coverage permissible for an insurance company to issue. Lane v. Security Mut. Ins. Co., 96 N.Y. 2d 1.

The exclusion presented in this inquiry is so broad as to exclude acts of employees that the employer/insured did not know about as well as acts that may not increase the hazard. Thus the provision would be less favorable to the insured than that contained in the standard New York fire policy stated in N.Y. Ins. Law §3404 (e) (lines 28-32) (West, WESTLAW through L. 1990, c. 27 legislation).

The Department issued an opinion of counsel on March 17, 2006 regarding whether an insurer must issue a conditional renewal notice when an insurer adds additional coverage to all policy renewals and charges a percentage of the premium as the premium for the coverage, but the insured has sufficient notice in order to opt-out of the additional coverage.

The Department's conclusion is No, under Section 3426(e)(1)(B) of the Insurance Law, an insurer does not need to issue a conditional renewal notice when an insurer adds additional coverage to all policy renewals and charges a percentage of the premium as the premium for the coverage, when the insured has sufficient notice in order to opt-out of the additional coverage.

In its analysis, the Department cites the relevant portions of Section 3426 of the Insurance Law. See N.Y. Ins. Law §§3426(e) (1) (A) and (B). The analysis discusses that adding coverage upon policy renewal is not a change to a policy that would require the insurer to issue a conditional renewal notice under Section 3426(e)(1)(B) where the insured is provided timely opportunity to opt-out of the coverage, unless the change in premium is over 10 percent.

You may view these and other opinions from the NYSID Office of General Counsel on Insurance Department's website at www.ins.state.ny.us. ◆

URB Insider—Published Quarterly by
Underwriters Rating Board
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Schenectady, N.Y. 12303
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Published as a service to friends and affiliates of URB
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Recent Department Approvals

- On January 6, 2006, the FL-185 12/05, which is the Automatic Inflation Protection form, was approved by the New York State Insurance Department. In subsequent correspondence, the Department advised a disclosure is not required for use with this form. A companion form for the homeowners line, ML-185 12/05, is pending approval at the Department.
- The ML-375 12/05, the Siding and/or Roofing Matching Coverage form, and its accompanying bulletin, HO-45, were approved by the Department on March 24, 2006. The ML-375 and accompanying Bulletin are available from the print shop.
- Also pending at the Department are revised Hurricane Deductibles.◆

URB News And Information

- On March 29, 2006, the URB hosted a forms meeting for its constituents to discuss the ramifications resulting from a multi-policy period lead claim due to the non-cumulation clause in the policy. General forms issues were also discussed. The meeting was held at the Holiday Inn in East Syracuse, New York.
- The URB website is being updated. It will be ready soon, and we will keep you posted with an announcement when the updated website is available for your use.
- URB will be participating in a mock trial along with NYIA member attorneys on June 15, 2006 in Syracuse, New York. One personal lines vignette and one commercial lines vignette will be presented at this seminar.◆