

COASTAL MARKET ASSISTANCE PROGRAM

A program developed by the State of New York Insurance Department

and administered by

New York Property Insurance Underwriting Association.



The Problem:

You receive a letter from your insurance company informing you that your homeowners insurance policy for your home near the coast will not be renewed.

Or...

You have negotiated for the purchase of a new home close to the shore. You find that the homeowners insurance you need to close cannot be obtained.

The Solution:

The Coastal Market Assistance Program Can Help.

The Coastal Market Assistance Program (C-MAP) was established by the State of New York Insurance Department and is administered by New York Property Insurance Underwriting Association (NYPIUA). Its purpose is to assist homeowners living in New York's coastal areas obtain insurance for their homes. To increase availability, insurance companies voluntarily participate in C-MAP by offering to insure property that they might otherwise reject due to proximity to the coast.

Applicants to C-MAP may apply directly or through their broker or agent. Homeowners are encouraged to use the services of a professional broker or agent to assist them in their insurance transactions.

Before considering C-MAP, be sure that you have shopped for coverage. Insurance policies may be obtained from agents representing companies or from independent agents and brokers. Remember, each insurance company has its own eligibility rules. If one company has non-renewed a policy or will not provide coverage for your new home, insurance may be available from another.

Which property is eligible for C-MAP?

1-4 family owner-occupied dwellings; apartment units; condominium units.

Property on the south shore of Long Island, Brooklyn, Queens, Staten Island, and Long Island's forks that are within 1 mile of the shore.

Property on the north shore of Long Island, in the Bronx and Westchester within 2500 feet of the shore.

Who is eligible for C-MAP?

Homeowners with homes in these areas who have received a non-renewal notice, cancellation notice, or a conditional renewal notice from their insurer for a reason other than non-payment.

NYPIUA policyholders whose property meets the geographic criteria defined above.

New purchasers of property located in these areas.

How do I apply for C-MAP?

Your agent or broker can apply to C-MAP for you.

You can also apply directly, although you are encouraged to use the services of an insurance professional.

C-MAP applications are available on the New York Property Insurance Underwriting Association Web-site, www.nypiua.com. Scroll down to the "Coastal Market Assistance Program" icon. Click and then select "C-MAP Application."

You can complete and submit the application on-line. If you need a paper copy of the application, please call 212-208-9898.

Some insurance professionals represent participating companies that will provide C-MAP coverage directly through its agents. If your agent has such an arrangement, a C-MAP application is not necessary.

What type of policy will I be offered?

The policy that has been terminated or the one you're seeking for your new home is probably a homeowners policy covering your home and personal property for a broad range of perils. It also includes coverage for theft and provides liability coverage.

Most insurers participating in C-MAP will respond to your application by offering a policy with a homeowners form that covers only your personal property. They will also offer coverage for theft and liability. No coverage for damage to your building is provided.

The C-MAP insurer will have a "wrap-around" endorsement that requires you to purchase coverage from NYPIUA for your structure in order to qualify for their coverage.

New York Property Insurance Underwriting Association's policy provides a choice of two policy forms to insure your home. The first insures against direct loss due to fire, lightning, explosion, certain explosions, windstorm, hail, smoke, vehicular and aircraft damage, civil commotion, as well as vandalism and malicious mischief. The second policy includes these perils but, in addition, offers broad form coverage that, among other things, includes coverage for water damage due to pipe breakage or freeze up; damage caused by a burglar; weight of ice, snow or sleet. (See www.nypiua.com for a complete listing.)

Neither NYPIUA policy form is a homeowners policy. It will cover only those perils named in the policy. When issued with a participating company's homeowners policy, New York Property Insurance Underwriting Association's coverage can be written on a repair or replacement cost basis.

Both the participating C-MAP company policy and the NYPIUA policy are subject to all underwriting eligibility criteria other than distance from the shore.

What deductibles do policies have?

Policies with Broad Form coverage are subject to a special 2% hurricane deductible for properties in the Bronx, Brooklyn, Nassau, Queens, Staten Island, Suffolk, and Westchester. This deductible takes effect when a National Weather Service declared hurricane category 2, 3, 4, or 5 makes landfall anywhere in New York State.

Other NYPIUA policies use the standard deductible published in the Insurance Services Office dwelling program manual.

Deductibles on voluntary market policies will vary by company.

How much will the coverage cost?

You can calculate the cost of the NYPIUA policy on our Web site, www.nypiua.com. Press the icon for "dwelling premium quotation."

The premium for the homeowners policy issued by the C-MAP participating company will vary by company. You are under no obligation to accept C-MAP coverage if offered.

How long will it take to get a coverage offer?

Applications are sent to companies for review upon receipt by New York Property Insurance Underwriting Association. Most offers are made within three days.

How do I bind coverage?

If your C-MAP application results in an offer to provide coverage, you or your insurance professional will be given the name and telephone number of a company representative to contact. That representative will quote the premium and give binding instructions. You may get offers from several companies resulting from your one application. You can choose the coverage you prefer.

I need coverage immediately for a closing or due to a termination. How do I bind coverage?

New York Property Insurance Underwriting Association can provide coverage effective 12:01AM after the day of receipt by mail or after submission through the Web. See www.nypiua.com and select the icon for "electronic web submissions." Select "dwelling application," complete, and submit it online. If you need a paper copy of the application, call 212-208-9700.

C-MAP

c/o New York Property Insurance Underwriting Association 100
William Street New York, New York 10038

212-208-9898

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• C-MAP Plan of Operations

A. C-MAP Defined.

1. The Coastal Market Assistance Program (C-MAP) represents a network, made up of participating insurers and insurance producers, acting on a voluntary basis, operating under the express auspices of the Superintendent of Insurance and specific state action of the New York State Insurance Department (NYSID) and administered by the New York Property Insurance Underwriting Association (NYPIUA), in special efforts to assist voluntary market placement for homeowners living in New York's coastal areas who experience difficulty in obtaining proper insurance protection for their homes.

2. C-MAP is designed to act as a means of encouraging and enabling C-MAP insurers to write homeowners and/or NYPIUA wrap-around policies in C-MAP eligible areas on a voluntary basis, beyond the scope of such companies' normal underwriting guidelines. To this end, C-MAP shall seek specific commitments from participating insurers to consider and to underwrite homeowners and/or NYPIUA wrap-around policies for eligible applicants in C-MAP eligible areas through such companies' normal distribution methods, subject to special C-MAP procedures described herein.

In addition, C-MAP shall act as a clearinghouse and referral mechanism, utilizing the Coastal Market Access Reference Tables (C-MART), with a stand-by plan for submission, when necessary and appropriate, of eligible C-MAP applications for underwriting consideration by participating C-MAP insurers, subject to varying underwriting criteria and marketing approaches of such insurers.

C-MAP participating insurers shall be asked to make specific additional commitments to consider and underwrite homeowners and/or NYPIUA wrap-around policies for C-MAP eligible applicants in C-MAP eligible areas through the C-MAP application process.

3. Insurers participating in C-MAP shall make commitments to write in each of the first three years of C-MAP (the "active underwriting phase") and to continue C-MAP policies pursuant to the provisions of §3425 for their full three-year required policy period.

4. The total C-MAP commitment shall be to write 5,000 policies, spread over the active underwriting phase according to a formula approved by the Superintendent.

5. All licensed insurers writing homeowners insurance in New York State are encouraged to join C-MART and C-MAP. The goal of these voluntary efforts is to limit utilization of the residual market (NYPIUA), to those insurable risks with demonstrable adverse risk characteristics qualifying for residual market treatment.

6. While C-MAP is designed to provide serious and specific underwriting consideration of C-MAP eligible applicants, no guarantee of placement is made by C-MAP or by any participating C-MAP insurer or producer.

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7. A C-MAP participating insurer may file for special windstorm deductibles with the Superintendent of Insurance which may be used exclusively for policies written in fulfillment of its C-MAP commitments.

8. Risks written in fulfillment of an insurer's C-MAP commitment must be owner occupied. They may be one-to-four family dwellings, apartment units or condominium units and must be located in the counties of the Bronx, Kings (Brooklyn), Nassau, Queens, Richmond (Staten Island), Suffolk, or Westchester, and situated as follows:

- (a) for Long Island's South Shore and areas along the shore of Brooklyn, Queens, Staten Island and Long Island's Forks, within one mile of the shore; or
- (b) for Long Island's North Shore, the Bronx and Westchester within 2500 feet of the shore along the Long Island Sound.

9. The term "shore" refers only to salt-water ocean, sound, bay or inlet, with distance measured from normal high-tide mark.

B. C-MAP Structure.

1. C-MAP Steering Committee. C-MAP operations will be overseen by the C-MAP Steering Committee consisting of:

- (a) one (1) member, representing the New York Property Insurance Underwriting Association (NYPIUA), who shall also act as chair of the Steering Committee;
- (b) three (3) members, representing C-MAP participating insurers using the American agency system of market distribution;
- (c) two (2) members, representing C-MAP participating insurers using exclusive agents or direct distribution methods;
- (d) two (2) members, representing the Professional Insurance Agents of New York State, Inc. (PIANY) and Independent Insurance Agents Association of New York (IIAANY); and
- (e) the Superintendent of Insurance or the Superintendent's designee.

More than one individual may represent an insurer or producer member at C-MAP Steering Committee meetings, but each such member will be entitled to one (1) vote in any business proceeding, except that the Superintendent or the Superintendent's designee shall be a non-voting member acting as a facilitator.

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2. C-MAP Administration. The C-MAP Administrator shall be NYPIUA, assisted by PIANY and IIAANY. As C-MAP administrator, NYPIUA shall be responsible for:

- (a) distribution of C-MAP application materials to consumers and producers which include procedures describing application requirements;
- (b) acting, where necessary, as an intermediary on behalf of a C-MAP participating insurer in connection with making and receiving appropriate payments and dealing with a C-MAP eligible applicant's broker-of-record, if any, in the event that such producer has no existing relationship with that insurer;
- (c) coordination of equitable C-MAP rotation procedures and notification of pertinent parties concerning C-MAP dispositions; and
- (d) periodic progress reports to the Superintendent of Insurance and C-MAP Steering Committee, about C-MAP application status and dispositions.

PIANY and IIAANY shall aid the C-MAP Administrator and Insurance Department in distributing C-MART and C-MAP information and C-MAP application materials to consumers and insurance producers, and in facilitating C-MAP's effective functioning.

C. C-MART Procedures.

1. C-MART lists insurers that indicate, in response to Insurance Law §308 inquiries by the Insurance Department, that they are willing to be identified as actively writing homeowners business and/or NYPIUA wrap-around policies for New York's shore communities in the voluntary insurance market, subject to their respective underwriting guidelines, specifying:

- (a) telephone numbers and addresses of their agent(s) or sales office(s) that consumers or insurance producers seeking coverage for homes in New York's shore communities can contact in order to access the insurer for consideration of coverage;
- (b) names of agents or individuals who are authorized by the insurer to make underwriting decisions and prepared to communicate with consumers or producers contacting an insurer's agents or sales office(s) as a result of C-MART;

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- (c) whether the insurer will entertain business on a limited producer-of-record basis;
 - (d) any underwriting criteria that would exclude broad segments of the general public;
 - (e) any underwriting restrictions regarding distance from shore, and
 - (f) such other information to help potential applicants understand the extent to, or ways in, which their homes might meet the insurer's underwriting guidelines.
2. The Insurance Department shall compile and update listings of C-MART insurers and their consumer access information, to be designated the "Coastal Market Access Reference Tables".
3. C-MART information shall be available to consumers and insurance producers, and shall be accompanied by a notice, in a form acceptable to the Insurance Department, describing:
- (a) policyholder protections under the Insurance Law;
 - (b) the steps taken by the Insurance Department to facilitate voluntary insurance market coverage for homeowners in shore communities, including windstorm deductibles and Wrap-Around protection;
 - (c) how to use C-MART to seek coverage; and
 - (d) how to make a C-MAP application, in the event coverage is not obtained after using C-MART.
4. C-MART listings are not necessarily exhaustive of all homeowners insurers actively writing business in New York's shore communities in the voluntary insurance market.

D.(a) C-MAP normal distribution method procedure.

1. C-MAP participating insurers shall commit to write a certain number of C-MAP homeowners and/or NYPIUA wrap-around policies representing a certain approximate level of direct insured value through their normal distribution methods. A C-MAP insurer's commitment should take into account the overall underwriting goals of the C-MAP program; the insurer's size; the insurer's homeowners market share in New York State; and the insurer's homeowners market share in coastal areas.

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2. Any insurer that receives a coastal application which does not qualify for issuance under its underwriting guidelines as of May 1995 may nonetheless decide to issue such policy for credit under the C-MAP program. A self-certification of such writings, attested to by an officer or other authorized representative of the insurer, shall be made pursuant to a form developed by NYPIUA, and shall include such attachments as may be required by NYPIUA.

3. C-MAP participating insurers shall designate an individual who shall be responsible to make periodic reports to NYPIUA as C-MAP administrator and to the Superintendent of Insurance as to the business the insurer has written in fulfillment of its C-MAP normal distribution method commitment.

D.(b) C-MAP Formal Application Procedure; Eligibility.

1. C-MAP participating insurers shall commit to write a certain number of C-MAP homeowners and/or NYPIUA wrap-around policies representing a certain approximate level of direct insured value through the C-MAP formal application procedure. A C-MAP insurer's commitment should take into account the overall underwriting goals of the C-MAP program; the insurer's size; the insurer's homeowners market share in New York State; and the insurer's homeowners market share in coastal areas. The C-MAP participating insurer must write one out of every four risks submitted to it by the C-MAP Administrator. Such acceptance shall be subject to the C-MAP insurer's normal underwriting criteria, exclusive of proximity to shore.

2. In order to be eligible to submit an application to NYPIUA as a C-MAP administrator for C-MAP placement, a homeowner must:

(a) have received notice that an existing homeowners insurance policy is being or has been nonrenewed or canceled for a reason other than premium non-payment, and provide a copy of that termination notice.

(b) in the case of property newly acquired or to be acquired, be currently without homeowners insurance for that property and identify the insurer, if any, providing coverage to the present owner/seller of the property; or

(c) be currently covered (including for windstorm peril) only through NYPIUA having first been insured in NYPIUA since January 1, 1993.

3. In order to be eligible to apply for C-MAP coverage on properties located in zones A and V, as defined by the "Federal Flood Disaster Protection Act" and the "National Flood Insurance Act", applicants must show evidence of flood insurance coverage. Such flood insurance coverage shall be for the actual cash value of the property, including contents, up to the maximum amount available under the Federal Flood program, and must be maintained in force during the C-MAP policy period.

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1. In order to obtain C-MAP application materials and relevant information, insurance producers on behalf of consumers, or consumers without a producer-of-record, may contact:

- (a) NYSID Hotlines (212-602-0541, 800-522-4370, & 516-221-8064);
- (b) PIANY (T:800-742-6369 & F:516-434-2342);
- (c) IIAANY (T:600-962-7950 & F:315-432-9111);
- (d) NYPIUA (T:212-208-9898 & F:212-208-9861).

2. The C-MAP application (ACORD #80) shall be accompanied by:

- (a) names of any C-MART insurers or C-MAP participating insurers under the normal distribution method that declined the risk, specifying the individuals involved, dates declined and stated declination reasons;
- (b) in the case of nonrenewal or cancellation of existing coverage, a copy of the termination notice from the insurer that gave such notice;
- (c) in the case of newly acquired or to be acquired property, the name of the insurer (if any) currently or formerly writing homeowners coverage on the property;
- (d) if a broker-of-record is designated by the consumer, a C-MAP broker-of-record form signed by the applicant and by that producer; and

3. The completed and signed C-MAP application, accompanied by the designated items, shall be submitted to NYPIUA, at the following address:

New York Property Insurance Underwriting Association
ATTENTION: C-MAP Administrator
P.O. Box 2336
New York, New York 10272-2336

4. Upon initial review, incomplete C-MAP submissions will be returned to the broker-of-record or, if no broker-of-record is designated by the consumer, to the applicant, for completion and resubmission.

Applications for risks shown to be ineligible to submit a C-MAP application by reason of location, because the property is situated too far from shore, shall be returned with an explanation. Any dispute over distance of the property from shore shall be referred to the C-MAP Steering Committee.

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F. C-MAP Rotation.

1. All completed C-MAP applications shall be submitted to NYPIUA, which shall coordinate an equitable rotation plan of risks among participating C-MAP insurers, in the following manner:

(a) C-MAP applications and inspection reports will be transmitted by fax for consideration by the C-MAP insurer;

(b) Each C-MAP insurer will designate an individual to receive such applications;

(c) That designated individual will cause the application to be seriously considered by the C-MAP insurer for underwriting purposes and, within five business days from receipt of the application, indicate the insurer's decision to accept the risk (with or without a windstorm deductible), write a Wrap-Around policy, require compliance with recommendations, or reject it (if so, explaining why and noting any risk management recommendations).

(d) A C-MAP insurer will be expected to accept applications submitted to it through the rotation plan commensurate with its commitment. Such acceptance shall be subject to the C-MAP insurer's normal underwriting criteria, exclusive of proximity to shore.

2. In designing, implementing and adjusting an equitable C-MAP rotation plan, consideration should be given to such factors as the Superintendent of Insurance determines workable, in order to enhance C-MAP equity and efficacy.

3. In particular, the C-MAP Administrator shall exert best efforts to operate the C-MAP rotation in light of selections by each C-MAP insurer of one (or more) of four alternative approaches by which a C-MAP insurer may accept C-MAP eligible applications, as follows:

(a) through NYPIUA as C-MAP Administrator acting on the insurer's behalf as an intermediary for C-MAP purposes, in regard to a consumer's broker-of-record, not already the insurer's agent or representative, on a broker-of-record basis;

(b) through one (or more) licensed producers with whom the insurer has a contractual relationship, where the insurer designates such producer(s) to act on the insurer's behalf as a managing general agent for C-MAP purposes, in regard to the consumer's broker of record, with whom the insurer has no contractual relationship, on a broker-of-record basis;

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(c) from licensed producers with whom the insurer has existing contractual relationships; or

(d) from C-MAP eligible applicants who choose not to have producer representation.

4. Whenever a C-MAP insurer accepts a C-MAP risk, NYPIUA as C-MAP Administrator shall inform the broker-of-record or, if there is no broker-of-record, the applicant of the insurer's decision and the basis (windstorm deductible, wrap-around, etc.) on which the risk will be written. In the event that NYPIUA as C-MAP Administrator acts as an intermediary for a C-MAP insurer, and a C-MAP eligible risk is bound by that insurer, then, at the insurer's election:

(a) NYPIUA shall notify the broker-of-record and the consumer shall pay the gross premium to NYPIUA, which, in turn, shall promptly remit a reasonable commission to the broker-of-record and the balance of premium to the insurer; or

(b) the insurer shall establish with NYPIUA an alternative method, compatible with its normal billing and commission payment procedures, for billing and collecting premiums for the policy and, as described in H.1., transmitting the commission or servicing fee to NYPIUA.

5. When acting as an intermediary for C-MAP purposes on behalf of a C-MAP insurer, NYPIUA or the insurer's designated licensed producer shall send to the consumer's broker-of-record the policy and any endorsements, or copies of such documents if the originals are mailed directly to the insured, and a copy of every notice or other correspondence from the insurer to the insured with respect to such policy.

6. Loss history showing a demonstrable pattern of losses may be a valid basis for declining C-MAP placement of an eligible C-MAP applicant.

7. NYPIUA shall keep an accurate record of C-MAP rotation of applicants and C-MAP placement activity, and shall prepare and present a monthly status report on C-MAP activities to the C-MAP Steering Committee and Superintendent of Insurance, who may require reports on a more detailed or frequent basis.

8. Risks rejected by three (3) C-MAP insurers under the rotation plan shall be referred to the C-MAP Steering Committee, which shall review the results of the rotation. NYPIUA as C-MAP administrator shall promptly inform the homeowner and the broker-of-record (if any), of the rejection of the risk under the C-MAP form application procedure.

9. If the C-MAP Steering Committee finds that a particular risk because of its nature and characteristics cannot or should not be placed in the voluntary market, it shall so inform the broker-of-record or (where no broker-of-record has been designated)

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the applicant, providing written explanation and indicating that coverage may be placed with NYPIUA, subject to its plan of operations.

G. C-MAP Policies.

1. A participating C-MAP insurer, when accepting a C-MAP applicant for placement, shall offer one of its filed and approved homeowners insurance contracts.

2. A participating C-MAP insurer may apply one of the following windstorm loss control procedures to a specific property:

(a) coverage may be subject to non-catastrophic or catastrophic windstorm deductibles, on an optional or mandatory basis, pursuant to a deductible plan filed with and approved by the Insurance Department; or

(b) coverage may be modified using a special Windstorm Wrap-Around endorsement, filed with and approved by the Insurance Department.

H. C-MAP Commissions & Fees.

1. Every C-MAP insurer accepting a C-MAP eligible application under the normal distribution method procedure or from a broker-of-record under the C-MAP formal application procedure shall provide coverage in accordance with Section 3425 of the Insurance Law and, unless the following applies, pay the insurer's submitting agent or that broker-of-record a commission in conformity with the insurer's filed rates for Homeowner's insurance:

(a) the insurer is precluded by contract or internal practice from paying a commission to a broker of record in this manner and pays a reasonable C-MAP servicing fee to NYPIUA, as C-MAP Administrator within 15 days of accepting the application, in an amount equivalent to the insurer's customary commission that would have been so paid and, in that event, NYPIUA, as C-MAP Administrator, shall pay over the C-MAP servicing fee to the broker of record; or

(b) the broker-of-record has already received a reasonable commission from NYPIUA as C-MAP Administrator acting on the insurer's behalf as an intermediary for C-MAP purposes or a reasonable share of the commission from one of its producers designated by the insurer to act on its behalf as an intermediary for C-MAP purposes.

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I. C-MAP Fiscal Arrangement.

1. NYPIUA shall absorb the expenses of administering C-MAP.
2. NYPIUA shall reimburse the reasonable expenses of PIANY and IAANY in connection with C-MART and C-MAP activities, to the extent such expenses are documented and approved by the Superintendent of Insurance.

J. Temporary Term of C-MAP.

1. C-MAP is established as a temporary market assistance program, which shall function only so long as deemed necessary by the Superintendent of Insurance.
2. The C-MAP Steering Committee shall at six-month intervals evaluate the need for continuing C-MAP and may recommend C-MAP dissolution to the Superintendent of Insurance, explaining the reasons justifying dissolution.
3. C-MAP dissolution shall be ordered only after written assent granted by the Superintendent of Insurance.
4. The Superintendent of Insurance may direct amendments to the C-MAP Plan of Operations as deemed necessary.