



NEW YORK STATE SENATOR

Joseph P. Addabbo Jr.

Senator Addabbo Announces Mediation Process for Disputed or Denied Insurance Claims for Hurricane Sandy Homeowners

JOSEPH P. ADDABBO JR March 5, 2013

Queens, NY, March 4, 2013 – NYS Senator Joseph P. Addabbo, Jr. (D-Howard Beach) today announced that the New York State Department of Financial Services (DFS) has set up a process for homeowners disputing their insurance claims or dissatisfied with denials of their claims to rebuild following Hurricane Sandy. It's actually a DFS emergency regulation directing insurers to offer and pay for voluntary mediation for open and denied insurance claims arising from Storm Sandy.

"As New Yorkers continue to move on from the damage caused by Hurricane Sandy, it is vital that they have access to the insurance funds they need to rebuild their lives," Addabbo

said. "I applaud Governor Cuomo and the State Department of Financial Services for setting up this mediation process and I look forward to working with them to ensure all New Yorkers receive the funds they deserve. For homeowners who are unable to reach agreement with their homeowners insurers on Sandy claims, mediation offers a speedy, low-cost resolution and is much less expensive for insurers than litigation."

Under the new DFS program, homeowners can pursue mediation for claims that are disputed or if they disagree with their insurance company's denial of a claim. The mediation will not be binding on the homeowner and won't impact the homeowner's other legal rights, such as a right to request an appraisal, the right to file a civil suit, and any other rights provided by law. Homeowners can choose to participate face-to-face, by video conference, or by telephone conferences, depending upon what is agreed between the homeowner and the insurer.

After Hurricanes Andrew, Katrina and Rita, Florida, Mississippi and Louisiana instituted nonbinding mediation programs, administered by the American Arbitration Association, aimed at bringing prompt closure to disputed insurance claims. The emergency amendment to Regulation 64 establishes a similar mediation program in New York to be administered by the AAA pursuant to procedures and standards approved by the Department.

The program would handle real and personal property claims (other than those regarding damage to motor vehicles), which arose between October 26, 2012 and November 15, 2012 in the counties of the Bronx, Kings, Nassau, New York, Orange, Queens, Richmond, Rockland, Suffolk or Westchester. Claims made under the National Flood Insurance Program, which is administered by the federal government, are not eligible.

The emergency amendment obligates insurers to notify their homeowners of the right to mediate eligible claims. Insurers will have to participate in mediations in good faith and foot the bill for the AAA's costs.

"We have seen that the mediation process has been successful in other states following natural disasters, and I commend the Governor and his staff for utilizing this program in New York State to better enable all homeowners impacted by Hurricane Sandy rebuild," concluded the senator.

For more information on the Department of Financial Services mediation program, please visit: <http://www.dfs.ny.gov/>.

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