

CORRECTION

RE: NEW YORK STATE CHILD VICTIMS ACT AND RELATED INSURANCE

The New York Department of Financial Services (DFS) has recently issued Circular Letter No. 11(2019) https://dfs.ny.gov/industry_guidance/circular_letters/cl2019_11 to inform all authorized property/casualty insurers, **licensed insurance producers**, adjusters and reinsurers that the DFS expects them to fully cooperate with the intent of the Child Victims Act (CVA) and any other applicable laws and regulations in dealing with actual and potential CVA related insurance claims.

Although the circular letter was not directed at excess line insurers, it was addressed to licensed insurance producers which include **excess line brokers**. The DFS noted in the circular letter that licensed insurance producers "... should be mindful of their obligations under the Insurance Law, including without limitation Insurance Law Article 21 and related regulations, and strive to do more than the minimum required." **The circular letter urges licensees to exercise utmost good faith in acting timely, maintaining records, assisting insureds in locating records of old policies and identifying insurers. It also suggests licensees contact policyholders who are likely to be impacted by CVA claims in advance of the filing of claims. DFS went out of its way in the circular letter to reiterate.** "...Section 2110 of the Insurance Law provides that those licensed under Article 21 may have their licenses suspended or revoked, including, without limitation, on the grounds that such licensees intentionally misrepresented the terms of an actual or proposed insurance contract or demonstrated untrustworthiness."

Therefore, excess line brokers should be particularly vigilant in response to the requirements described in this circular letter.

The DFS advises to "...direct any questions regarding this circular letter by mail to Child Victims Act Inquiries, c/o Consumer Assistance Unit, New York State Department of Financial Services, One State Street, New York, NY 10004 or by email to cva@dfs.ny.gov."

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