NYPIUA PRODUCER NEWS

May 2022

ANNOUNCEMENT—POLICY ADMINISTRATION SYSTEM AND WEBSITE

NYPIUA released a new policy administration system and website this month. Over the next year, we will be converting policies from our legacy system to our new policy administration system upon policy renewal. A Policyholder Notice (NY AL PH 12) included in the renewal package will explain all the changes for existing policyholders. Below are some highlights to note:

- ✓ **New Applications:** The NYPIUA dwelling and commercial new business applications have been updated to include information that is mandatory to streamline the binding process. We have also restructured the form to make it easier to complete. Log on to nypiua.com to view the latest version.

- ✓ **Policy Numbers:** The format of our policy numbers is changing. Policies will be preceded by the letters DF (personal lines) or PR (commercial risks). Note: converted policies will renew with the same policy number but will be preceded by the new prefix.

- ✓ **Perils must be the same across all coverages.** If the current NYPIUA policy insured the building for Fire & Extended Coverage but the Time Element coverage was insured for Fire only, the renewal policies will be issued with Fire and Extended Coverage for both Building and Time Element.

- ✓ **Go Green Initiative:** As a producer, we strongly encourage you to use email distribution in lieu of paper. If you have not already done so, please complete and sign the *Producer Registration Form* found on the Producer Information page on www.nypiua.com. Your insureds will receive a *Go Paperless Terms and Conditions form* with their new business or converted renewal policy. By regulation, Policyholders will need to register their desire to go green using the new form even if they previously elected to Go Green. A copy of Go Paperless Terms and Conditions (NY AL 00 45) can also be found on our website under the Change Named Insured option.

- ✓ **Policy documents:** Policy documents will only be sent to the Named Insured at the mailing address listed on the policy. As we convert renewal policies, the policyholder appearing first will be deemed the Named Insured. All other policyholders will be listed as Additional Named Insureds. As the Producer, you will receive a copy. Other Parties will not receive policy documents with the exception of cancellation, rescission and reinstatement notifications. Mortgagee(s) receive electronic notifications of all policy transactions.

- ✓ **nypiua.com:** The website has a brand-new look and navigation and enforced web security. You will find information has been organized, made more accessible and is much easier to use. You can view the history for your clients' policy and billing transactions for policies that have been converted, information on policies not yet converted can be emailed to you as a temporary measure.
  Note: Policy documents will be emailed/mailed to address on file. Please make sure you keep current with your distribution instructions.

- ✓ **New payment options have been added:**
  Payment Plan A - Full
  Payment Plan B - 35% down followed by 2 equal installments billed in month 3 & 6 of the policy term
  Payment Plan C - 20% down followed by 4 equal installments billed in month 2, 4, 6 & 8 of the policy term
  Payment Plan D - 20% down followed by 7 equal installments billed over the first 7 months of the policy term
  Note: Converted renewal policies will be defaulted to Plan C. The payment plan may be changed.

- ✓ **Equity Billing has been introduced:** Policies will be cancelled due to non-payment based on an equity-based system. An equity-based system determines the date the policy is paid through using a pro rata calculation (i.e. equity date). This will eliminate notices of cancellation due to missed invoice payments.

- ✓ **Invoicing:** Billing account has been introduced for all converted policies. Invoice payments must be made to the billing account number, not the policy number. If your insureds have multiple policies with NYPIUA they can be combined into a single account. The insured will receive an invoice which contains the premium due for their account. Consolidating policies into one billing account will save the installment fees associated with individually billed policies.
  Note: Invoices will only be sent to the party responsible for payment. Converted renewal policies will be defaulted to the Named Insured as the payor. The payor may be changed to the mortgage company or any additional interests at any time.

- ✓ **Commission Statements:** As we transition from our legacy system to our new Policy Administration system, Producer Commission Statements will be produced by both systems. You will continue to receive commission statements from our legacy system via both email and mail. Commission statements sent from the new Policy Administration system will be sent depending on the distribution method you have chosen.

- ✓ **Reporting a loss:** Claims may be reported online at nypiua.com and selecting "Report a Claim". Every claim will have an associated claim number for your reference and convenience to track status/ progress. Forms and correspondence/ have been updated for readability and usability.

APPROVED—DWELLING LOSS COSTS AND LOSS COST MULTIPLIERS

This notice is being issued to inform you that the New York State Department of Financial Services has approved new loss cost multipliers and adjustment factors for use by NYPIUA. The average statewide effect of this change is +14.7%. However, the effect on each policy may vary depending on location and building type.

The New Dwelling Loss Cost Multipliers	Loss Cost Multipliers
Fire:	2.746
Extended Coverage:	
Richmond, Queens, New York, Bronx, Brooklyn, Putnam, Rockland, Orange, Yonkers, Westchester	4.012
Suffolk	4.658
Nassau, New Rochelle, Mount Vernon	4.063
Rest of State	3.830
Vandalism:	2.547

The “Adjustment Factors” below are applied as a final step when calculating the rate. The New adjustment factors:

The Dwelling Fire & Allied Lines “Adjustment Factors”	Adjustment Factors
Owner Occupied Dwellings:	1.117
Non-Owner Occupied Dwellings:	1.211
Household Furnishings:	1.117
The Dwelling Allied Lines “Adjustment Factors”	**Adjustment Factors**
Occupied Dwellings:	1.117
Non-Owner Occupied Dwellings:	1.211
Broad Form:	1.117
Household Furnishings:	1.117

APPROVED—COMMERCIAL LOSS COSTS AND LOSS COST MULTIPLIERS

This notice is being issued to inform you that the New York State Department of Financial Services has approved new loss costs, multipliers and adjustment factors for use by NYPIUA. The average statewide effect of this change is +1.2%. However, the effect on each policy may vary depending on location and building type.

The New Commercial Loss Cost Multipliers	Loss Cost Multipliers
Fire	**2.220**
Allied Lines	**2.220**

The NYPIUA “Adjustment Factors” remain the same.

The new commercial loss costs, loss cost multipliers and adjustment factors will go into effect June 1, 2022 for new business and August 1, 2022 for renewals.

IMPORTANT—WINDSTORM COVERAGE INFORMATION

Reminder that hurricane season officially begins June 1. Now is the time to review your clients’ policies to verify that they are covered against windstorm damage (part of Extended Coverage and Broad Form).

To add Extended Coverage to a policy, submit a Request for Change form found on www.nypiua.com. See the Policy Management Page “Make Changes to your policy”. You may also submit your request by email to fairplan@nypiua.com or by fax to (845) 218-3099.

Policyholders whose windstorm coverage was excluded because they did NOT comply with the requirements of our windstorm program, may acquire windstorm coverage by arranging for an architect or engineer to inspect the property and submit the necessary documentation. Deficiencies identified must be corrected.