



Looting After George Floyd Death in Minneapolis Causes Covid-19 Reopening Delays; NYS Regulators Require Insurers To Accelerate Resolution & Payment Of Claims

By Daniel Cotter, Esq

In recent days, after the death of George Floyd caused by Minneapolis police, protesters in various cities took to the streets to protest Floyd's death. Some cities such as New York had many large and small businesses looted and vandalized, causing extensive damage that further delayed reopenings after the COVID-19 shelter in place orders had relaxed.

In response to the damage done in New York City, the New York Department of Financial Services ("NY DFS") issued a [press release](#) on June 5, 2020, the NY DFS Superintendent «requiring New York-regulated insurers to accelerate the resolution and payment of insurance claims by businesses and individuals who suffered damage as a result of looting.» It is similar to emergency regulations that went into effect after Super Storm Sandy.

Pursuant to [Section 216.5\(a\)\(2\) of the emergency amended Insurance Regulation 64](#), insurers are required to commence investigation of any claim "resulting from a riot or civil commotion" within six days of receiving notice of the claim, as well as furnishing within the same six day period a written notice of all documentation the insurer needs to resolve the claim. The insurer within fifteen business days of receipt of all required documentation must inform the claimant of acceptance or rejection of the claim, pursuant to Section 216.6(c)(1).

The NY DFS requirements for looting claims are very tight and, while the regulation does permit additional time, the "Statement of Reasons for Emergency Measure" issued by Superintendent Linda A. Lacewell and attached to the emergency regulation makes it very clear that the circumstances demand swift response by insurers, Lacewell stating, "the existing regulation's time frames are inadequate to protect affected customers and businesses and to ensure the public's safety and welfare."

New York appears to be the first state to enact such regulations, but given how the NY DFS is often the bellwether of the insurance regulators, as well as how other governors, such as Illinois Governor J.B. Pritzker, have issued statements requesting prompt and generous claims handling by insurers for looting claims, it is not likely the last. ➤



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