

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

**REGULATION NO. 86
11 NYCRR PART 16
SPECIAL RISK INSURANCE**

ELANY has compiled and consolidated Regulation 86 (11 NYCRR 16), inclusive of amendments 1 through 7. ELANY has made every effort to make certain that the transcribed and consolidated amendments are correct. However, this is an unofficial publication of the information provided.

Last reviewed/updated 05/31/2018

Section 16.0 Introduction.

This Part implements article 63 of the Insurance Law and establishes methods, procedures and reports for licensing, facilitating, monitoring and verifying compliance with the requirements of the Insurance Law. In effect, article 63 allows special risks that are jumbo in dimensions or exotic in nature to be written, free of filing rates or policy forms with the superintendent, in what is sometimes called the "Free Trade Zone". In addition, article 63 allows certain coverage for "large commercial insureds" to be written as special risks. Although filing is not required except as specified in section 6303, rates and policy forms applied to special risks must still satisfy governing standards set forth in the Insurance Law and regulations.

Section 16.1 Definitions.

For purposes of this Part:

- (a)** *Accident and health insurer* has the meaning set forth in section 107(a)(1) of the Insurance Law.
- (b)** *Authorized insurer* has the meaning set forth in section 107(a)(10) of the Insurance Law.
- (c)** *Large commercial insured* has the meaning set forth in section 6303(b)(1) of the Insurance Law.
- (d)** *Life insurer* has the meaning set forth in section 107(a)(28) of the Insurance Law.
- (e)** *Major type of insurance* as used in this Part means the annual statement line of business based on the coverage part with the highest estimated premium at the time of issuance of the certificate of insurance.
- (f)** *Medical malpractice insurance* has the meaning set forth in section 5501(b) of the Insurance Law.
- (g)** *Net premiums written* means gross premiums (direct and assumed premiums, including policy and membership fees, less return premiums and premiums for policies not taken) less reinsurance ceded.
- (h)** *Property/casualty insurer* means an insurer licensed pursuant to article 41 or 61 of the Insurance Law.
- (i)** *Special risk manager* has the meaning set forth in section 6303(b)(2) of the Insurance Law.
- (j)** *Special risk* means:
 - (1)** Class 1.

Where all or part of the insured's business operations, for which coverage is authorized by the kinds of insurance defined in section 1113(a) of the Insurance Law, is insured in a single policy written in accordance with section 6303 of the Insurance Law, and which is written with or is reasonably expected to produce a billed annual premium of at least:

- (i)** \$100,000 for at least one kind of insurance; or

(ii) \$150,000 for more than one kind of insurance where the premium for any one kind of insurance does not exceed \$100,000.

(2) Class 2.

Coverages that are:

(i) of an unusual nature, a high loss hazard or difficult to place; and

(ii) enumerated in the list contained in section 16.12(e) of this Part, or additions thereto made pursuant to section 16.8(f) of this Part.

(3) Class 3. Coverage other than medical malpractice issued to a large commercial insured that employs or retains a special risk manager to assist in the negotiation and purchase of a policy exempted under this article, provided, however, that:

(i) the special risk manager is not employed by the insurer issuing the policy or any person in the insurer's holding company system; and

(ii) the special risk manager is licensed as an insurance producer in this State pursuant to Insurance Law article 21, unless exempted from licensing therein.

Section 16.2 Limitations on transactions.

(a) For property/casualty insurers:

(1)

(i) the insurer's net premiums written pursuant to section 6302 of the Insurance Law during the prior calendar year shall not exceed 75 percent of the surplus to policyholders, as reported in the insurer's annual statement filed with the superintendent for the corresponding calendar year;

(ii) the insurer's direct premiums written pursuant to section 6302 of the Insurance Law during the prior calendar year shall not exceed 75 percent of the surplus to policyholders, as reported in the insurer's annual statement filed with the superintendent for the corresponding calendar year; and

(iii) the insurer's total net premiums written in the United States shall not exceed 200 percent of surplus to policyholders, as reported in the insurer's annual statement filed with the superintendent for the corresponding calendar year.

(2) An insurer may request the superintendent's prior written approval to exceed the limitations specified in paragraph (1) of this subdivision. If the superintendent determines that it would not be harmful to policyholders or the people of this State, the superintendent may in such approval allow the insurer to exceed such limitations. The approval shall specify what limits may apply. In reviewing an application for such an approval, the superintendent shall consider:

(i) the market need for the coverage;

(ii) the insurer's financial condition;

(iii) the type of business to be written by the insurer within and without the insurer's holding company system, including a breakdown, by annual statement line of business, of business assumed and ceded within the insurer's holding company system;

(iv) the projected amounts of gross and net premiums to be written, by annual statement line of business, including a breakdown, by line of business, of the amounts of special risk premiums to be ceded to authorized special risk insurers; and

(v) other factors affecting the insurer's compliance with applicable laws and regulations.

(b) For life and accident and health insurers:

(1) the insurer's net premiums written pursuant to section 6302 of the Insurance Law during the prior calendar year shall not, for any line of business written, exceed one percent of the insurer's total net premiums written as reported in the insurer's annual statement filed with the superintendent for the corresponding calendar year for the same lines of business as reported in the gain and loss exhibit of the annual statement, separated into individual and group business; and

(2) the insurer's direct premiums written pursuant to section 6302 of the Insurance Law during the prior calendar year shall not, for any line of business written, exceed one percent of the insurer's total net premiums written as reported in the insurer's annual statement filed with the superintendent for the corresponding calendar year for the same lines of business as reported in the gain and loss exhibit of the annual statement, separated into individual and group business.

Section 16.3 Disclosure to insureds.

(a) The following notice shall appear conspicuously on the front page of each binder, policy, contract, rider or endorsement, and on all subsequent additions thereto, issued or renewed under class 1 or 2 pursuant to section 6303(a)(1) or (2) of the Insurance Law, provided, however, that such notice need not appear separately on a rider or endorsement issued contemporaneously with, and as part of, a policy or contract, if, in accordance with the provisions of Insurance Law section 6303(a)(1) or (2) and this Part, all such riders or endorsements, and the rates associated therewith have not been filed with, the superintendent:

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK INSURANCE LAW AND REGULATIONS. HOWEVER, THE FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

(b) The following notice shall appear conspicuously on the front page of each binder, policy, contract, rider or endorsement, and on all subsequent additions thereto, issued or renewed under class 3 pursuant to section 6303(a)(3) of the Insurance Law, provided, however, that such notice need not appear separately on a rider or endorsement issued contemporaneously with, and as part of, a policy or contract, if, in accordance with the provisions of Insurance Law section 6303(a)(1) or (2) or (3) and this Part, all such riders or endorsements have in fact not been approved by, and the rates associated therewith have not been filed with, the superintendent:

NOTICE: THESE POLICY FORMS ARE NOT SUBJECT TO THE APPROVAL REQUIREMENTS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK INSURANCE LAW AND REGULATIONS. HOWEVER, THE FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

(c) Each "Notice" required by subdivision (a) or (b) of this section shall be in bold capital letters, no less than 14 point font, enclosed in a border.

Section 16.4 Policy forms and other standards.

(a) Every binder, policy, contract, rider and endorsement issued pursuant to section 6301 of the Insurance Law on special risks located or resident in New York State shall comply with minimum standard policy provisions of the Insurance Law and this Title.

(b) For a coverage coded as a class 3 risk pursuant to section 16.12 of this Part, the insurer shall electronically file with the superintendent a policy form that has not been previously filed with the superintendent. The insurer shall file the policy form in a form and manner acceptable to the superintendent, within three business days after first delivery of a policy using the form, but no later than 60 calendar days after the inception date of the policy.

(c)

(1) An insurer required to make a filing or a submission to the superintendent electronically pursuant to this Part may apply to the superintendent for an exemption from the electronic filing requirement by submitting a written request to the superintendent for approval at least 30 days in advance of making the filing or submission.

(2) The request for an exemption shall:

(i) identify the time period for which the insurer is requesting the exemption; and

(ii) specify whether the insurer is making the request for an exemption based upon undue hardship, impracticability, or good cause, and set forth a detailed explanation as to the reason that the superintendent should approve the request.

Section 16.5 Rate standards.

The rates applied to policies issued pursuant to section 6301 of the Insurance Law shall not be excessive, inadequate, unfairly discriminatory, destructive of competition, detrimental to insurer solvency, or otherwise unreasonable. Each insurer shall maintain in its files the premium charged for each special risk and the basis for the rate or premium.

Section 16.6 Licensing.

(a) An authorized insurer may apply for a special risk license to transact business written pursuant to section 6302 of the Insurance Law by completing an application form, prescribed by the superintendent and available from the Property Bureau of the Department of Financial Services. Every special risk license shall be issued for a term expiring on August 31st. Every such license may be renewed for the ensuing period of 12 months upon the filing of an application in conformity with this Part.

(b) An insurer shall file an application for a renewal license with the superintendent not less than 30 days prior to the date the license expires.

(c) Nothing in this Part shall authorize an insurer to do any kind of insurance business for which it is not licensed in this State.

Section 16.7 Reporting requirements.

(a) Financial reports.

Every insurer writing special risks pursuant to this Part shall file with its annual and quarterly statements supplemental financial reports using a form prescribed by the superintendent.

(b) Experience reports.

Every insurer writing special risks pursuant to this Part shall file with its annual and quarterly statements the following information on a direct basis, in accordance with section 16.12 of this Part, classification codes, in a form prescribed by the superintendent:

- (1) written premiums;
- (2) earned premiums;
- (3) losses paid;
- (4) cumulative number of claims closed with payment;
- (5) cumulative number of claims closed without payment;
- (6) outstanding loss reserves;
- (7) number of claims outstanding;
- (8) losses incurred;
- (9) loss adjustment expenses paid;
- (10) unallocated loss adjustment expenses paid;
- (11) allocated loss adjustment expenses outstanding;
- (12) unallocated loss adjustment expenses outstanding;
- (13) allocated loss adjustment expenses incurred;
- (14) unallocated loss adjustment expenses incurred;
- (15) commissions incurred;
- (16) commissions paid; and
- (17) number of policies issued.

For premium tax purposes, premiums allocated to locations outside this State shall be coded separately.

(c) Other reports.

The superintendent may require the filing of such additional reports as are deemed necessary to implement the provisions of article 63 of the Insurance Law and this Part.

Section 16.8 Operational requirements.

(a) Class 1, class 2 or class 3 coverages may be provided only to:

- (1) a single entity; or
- (2) two or more related entities, in each of which the same person, group of persons, or corporation holds a controlling interest.

(b) Class 1, class 2 or class 3 coverages may not be provided in a manner that would constitute a group policy within the meaning of Part 153 of this Title.

(c)

(1) Except as provided in paragraph (2) of this subdivision, a policy may be written pursuant to Insurance Law article 63 and this Part if the policy provides only one or more of the kinds of insurance specified in Insurance Law section 1113(a)(4) through (14), (16), (17), (19) through (22), (27) and (29).

(2) A covered policy, as defined in section 3425(a)(2) of the Insurance Law or a policy providing coverage pursuant to Insurance Law section 1113(a)(1), (2), or (3) may be written as a class 2 risk if the coverage is included in the list of eligible class 2 risks contained in section 16.12(e) of this Part.

(3) A medical malpractice insurance policy may not be written as a class 3 risk.

(d) Notwithstanding any other provision of this Part, a policy may not be written pursuant to Insurance Law article 63 and this Part with respect to:

- (1) insurance specified in Insurance Law section 2328;

(2) insurance specified in Insurance Law section 2305(b) except medical malpractice insurance may be written as a class 1 or 2 risk; or

(3) insurance required to satisfy any financial responsibility requirement of this State.

(e) Where a policy includes coverage for both New York and non-New York exposures, the total premium for all exposures may be used for purposes of determining class 1 or class 3 eligibility pursuant to section 16.1(j) of this Part. However, a report filed with the superintendent showing special risk premiums and losses shall only include risks related to New York exposures unless the statement filing instructions specify otherwise.

(f)

(1) Application may be made to the superintendent for adding a class to the list of eligible class 2 risks enumerated in section 16.12(e) of this Part.

(2) In reviewing such an application, the superintendent shall consider the following factors:

(i) whether the insurance coverage provided protects from perils or risks that are neither contained in, nor conducive to the use of, generic policy forms or filed rate schedules;

(ii) whether the type of insurance risk contains a substantial degree of peril or hazard that makes use of generic policy forms or filed rate schedules impractical; and

(iii) the extent to which the type of coverage is unavailable from authorized insurance markets.

(3) Class 2 additions shall be published in the *State Register*.

(4) Applications to the superintendent to add classes to the class 2 risk list shall include:

(i) a detailed description of the class for which filing exemptions are requested;

(ii) a statement indicating the reasons why the class should be considered unusual, having a high loss hazard, or difficult to place; and

(iii) a statement explaining why the filing requirements of the Insurance Law with regard to rates and forms would impose an undue impediment to the effective writing of the particular class of business in this State.

(g) Coverages qualifying as class 2 risks may be provided by separate individual policies or incorporated by endorsement into other policies. When coverages for class 2 risks are provided by endorsement, only the policy forms and rates applicable to such endorsement qualify for filing exemptions pursuant to this Part.

(h) No policy may be issued or renewed pursuant to class 3 on or after the date specified in Insurance Law section 6303(a)(3).

Section 16.9 Records maintenance and examination.

(a) An insurer granted a special risk license by the superintendent pursuant to section 6302 of the Insurance Law shall maintain in this State an underwriting office:

(1) that shall be under the control of the insurer's management and staffed with personnel who are charged with the responsibility for making underwriting decisions relating to policies issued pursuant to this Part; and

(2) in which the insurer shall maintain or have electronic access to the underwriting files, experience statistics, financial and other records, applicable to business underwritten and transacted under section 6302 of the Insurance Law, subject to examination by the superintendent as often as the superintendent deems necessary.

(b) An insurer that does not renew its special risk license shall make its records regarding special risk business available to the superintendent upon request.

Section 16.10 Other requirements.

All insurers licensed under section 6302 of the Insurance Law shall be subject to all other provisions of the Insurance Law and this Title that are not inconsistent with article 63 or this Part.

Section 16.11 Other provisions.

This Part shall not alter or change any other exemption from rate and form filing requirements extended pursuant to the Insurance Law or any other Part of this Title.

Section 16.12 Coding of class 1, class 2, and class 3 risks.

(a) The principal operations of class 1 and class 3 risks shall be coded in accordance with the classification codes filed by the Insurance Services Office under the commercial statistical plan.

(b) Class 2 risks shall be coded in accordance with the classification codes included in the list issued annually by the superintendent pursuant to section 16.1(f)(2) of this Part.

(c) The appropriate classification code shall be indicated on the lower left corner of the front page of each binder, policy, contract, rider or endorsement, and on all subsequent amendments thereto, used pursuant to this Part, with a summary classification of codes attached to the rating worksheets or similar data contained in the policy files.

(d)

(1) Special risks classified under class 2 that generate a premium in an amount that qualifies as a class 1 risk shall, for reporting purposes, be designated as class 2 risks; and

(2) Special risks classified under class 2 that also qualify as class 3 risks shall, for reporting purposes, be designated as class 2 risks.

(e) The following is a list and description of coverages that may be written as class 2 risks pursuant to section 16.1(f)(2) of this Part:

Statistical Code	Classification
2-14006	Air Bag Repacking Coverage for liability claims resulting from the improper packaging of air bags.
2-14007	Alarm System Liability Coverage against liability of alarm system installers and service contractors for failure to perform services agreed upon with customers or for failure of an alarm to function.
2-14190	Amusement Parks and Carnivals Property and/or liability coverage for the owners/operators of amusement parks, theme parks and carnivals.
2-14191	Amusement Rides and Devices Property and/or liability coverage for the owners/operators of amusement rides and devices including bumper cars, go-carts and go-cart tracks, giant slides, skateboard tracks, roller-blade tracks, etc.
2-14165	Animal Liability Coverage against bodily injury and property damage caused by animals owned by the policyholders.
2-10017	Animal Mortality

	Coverage against the death of any domesticated or wild animal from any cause.
2-14010	Animal Rides
	Liability coverage against bodily injury or property damage caused during the operation of animal ride concessions at zoos, amusement parks, circuses, picnics or private parties. Includes coverage for children bitten or thrown by the animal due to excitement, or the negligence of the attendant.
2-16003	Armored Car, Couriers or Check Cashing Operations
	Crime coverage for armored car services, couriers transporting valuable documents and securities, and check cashing operations.
2-14206	Auto/Boom Truck Operations/Liability
	Insurance policy providing both:
	(i) commercial auto coverage with limits of liability that meet or exceed the minimum financial responsibility limits; and
	(ii) commercial general liability risks for owners, operators and lessors of self-propelled or “road-ready” vehicles with articulated or telescopic arms, cranes or concrete pumbers permanently affixed. Includes liability coverage for operation of boom trucks where equipment was leased with (or without) the services of an operator. The policy shall provide separate and equal per occurrence limits of liability for the commercial auto liability coverage part and the commercial general liability coverage. In addition, any general policy aggregate limit of liability shall not be applicable to the policy’s commercial auto coverage part or to the products/completed operations coverage part and the declarations page shall specifically so indicate.
2-13001	Automobile Personal Injury Protection (PIP) excess of \$150,000
	First Party, New York No-Fault PIP benefits, excess of \$150,000.
2-50008	Aviation Hull Insurance
	Coverage for loss or damage to aircraft.
2-50007	Aviation Liability Insurance
	Coverage against third party liability or passenger liability arising out of occupancy, operation or use of owned or non-owned aircraft. Coverage also may include liability arising out of the insured’s use, ownership or maintenance of helipads and aviation building or premises.
2-14019	Banks – Mortgage Interest – All Risks
	Coverage of the bank’s mortgage interest for any reason—must be a nonstandard form.
2-13002	Blood Banks, Blood and Organ Facilities Liability
	Liability coverage for facilities that primarily deal with the collection, storage and distribution of blood, blood products and human organs.
2-13003	Boats and Yachts
	(a) High Speed Boats
	Property and liability coverage for the owners and operators of boats capable of attaining speeds in excess of 40 miles per hour; or
	(b) Boat Rentals
	Property and liability coverage for the owners and operators of boat rental facilities.
2-13000	Commercial Excess and Umbrella
	Liability Insurance
	(a) Coverage for commercial excess liability where the underlying policy limits are

	at least \$1 million per occurrence.
	(b) Coverage for commercial umbrella liability where the underlying automobile and general liability policies each contain limits of at least \$1 million per occurrence.
2-01007	Commercial Excess Property Insurance
	Coverage for commercial excess property insurance where the underlying policy provides at least \$1 million in coverage.
2-14000	Contractual Liability—Large Contracts
	Coverage for liability assumed by an insured in an insured contract, where the value of the contract exceeds \$1 million.
2-50011	Crowdfunding Platforms - Directors and Officers Liability Insurance, Professional/Errors & Omissions Liability, or Fiduciary Liability Policies providing liability coverage for companies providing a platform, frequently a website or internet application, used to fund projects or ventures by raising monetary contributions from a large number of people.
2-50002	Cyber Risks
	First and third party commercial lines coverage for loss or liability arising out of or relating to cyber risks, including data privacy breaches and other privacy risks, networks security risks, electronic advertising, intellectual property infringement and virus risks.
2-14041	Data Processing Company Products Liability
	Coverage against the failure of various data systems to perform the way the user thought or was promised they would perform.
2-14043	Demolition Contractors Liability
	Coverage against the hazards involved in destruction of old property.
2-50010	Directors and Officers Liability Insurance – Biotech & Nanotechnology
	Policies providing liability coverage for directors and officers of biotechnology and nanotechnology companies.
2-14045	Directors and Officers Liability Insurance—Education
	Policies providing liability coverage for directors and officers, including managers and trustees, of schools, universities or boards of education.
2-14176	Directors and Officers Liability Insurance—Insurance Companies and Financial Institutions
	Policies providing liability coverage for the directors and officers of insurance companies, banks, savings and loan associations, mortgage companies and other financial institutions.
2-14177	Directors and Officer Liability Insurance—Certain Commercial Risks
	(a) Policies providing liability coverage for the directors and officers of corporations that:
	(1) have a net worth of at least \$7,500,000, as determined by an independent certified public accountant, as of the insured's fiscal year end immediately preceding the policy's effective date; or
	(2) have gross assets exceeding \$25,000,000 and a net worth of at least \$1,500,000, as determined by an independent certified public accountant, as of the insured's fiscal year end immediately preceding the policy's effective date; or
	(3) are for-profit business entities that generate annual gross revenues exceeding \$25,000,000, and have a net worth of at least \$1,500,000, as determined by an

	independent certified public accountant, as of the insured's fiscal year end immediately preceding the policy's effective date; or
	(4) are for-profit business entities that have gross assets exceeding \$25,000,000 and generate annual gross revenues exceeding \$25,000,000, as determined by an independent certified public accountant, as of the insured's fiscal year end immediately preceding the policy's effective date; or
	(5) are not-for-profit organizations or public entities with annual budgets exceeding \$25,000,000 for each of the three fiscal years immediately preceding the policy's effective date; or
	(b) Policies containing primary liability limits of at least \$5,000,000.
2-14161	Directors and Officers Liability Insurance—Political Action Committees
	Policies providing liability coverage for directors, officers, managers, or trustees of political action committees. This may also include liability coverage for the entity that has established the political action committee in regard to the activities of such committee.
2-50003	Directors and Officers Liability Insurance—Private Company Package Policies
	Directors and Officers, Employment Practices Liability, Fiduciary, Crime, and Kidnap and Ransom containing primary liability limits of at least \$5,000,000.
2-14047	Directors and Officers Liability Insurance—Public Officials
	Policies providing liability coverage for directors and officers, including managers and trustees, of public entities.
2-14048	Directors and Officers Liability Insurance—Union Officials
	Policies providing liability coverage for directors and officers, including managers, fiduciaries (including ERISA), administrators and trustees of unions or labor organizations, and the employee benefit plans related thereto.
2-01006	Electrical Disturbance
	Coverage for loss resulting from any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated. This coverage is designed to offset the "electrical apparatus" exclusion usually contained in fire policies.
2-14181	Elevator Contractors Liability Insurance
	Liability coverage for contractors who perform installation, repair or inspection services of, or to, escalators or elevators.
2-14055	Environmental Impairment/Pollution Liability
	Liability coverage and/or pollution clean-up expense coverage for the following: asbestos abatement contractors; general pollution liability; environmental impairment; lead abatement contractors; hazardous waste disposal sites; hazardous waste haulers and shippers; hazardous waste site mitigation contractors; radon mitigation contractors; radon testing firms; underground storage tanks—marketers; and underground storage tanks—non-marketers.
2-14192	Explosives, Munitions or Fireworks—Manufacturing or Display
	Property and/or liability coverage for the manufacturer of explosives, munitions or fireworks and firms which produce fireworks displays or exhibitions.
2-14060	Exterminators, Herbicide and Pest Control Contractors Liability
	Coverage for liability arising out of use of hazardous pesticides needed to control termites and rodents; may include errors and omissions coverages and contractual liabilities from

	warranties and annual inspections.
2-14061	Fair Employment Practices Liability
	Employment practices and procedures, excluding intentional acts and excluding acts of discrimination.
2-14183	Fiduciary Liability
	Liability coverage for fiduciaries.
2-14160	Film Producers/Theatrical Producers Indemnity Insurance
	Insurance for producers of motion pictures, television programs, theatrical (stage) productions, documentaries, industrial films, commercials and educational productions, including coverage for:
	(a) unauthorized use of format, idea, titles, music, etc.;
	(b) libel, slander, invasion of privacy, failure to acknowledge “credits” or contributions of others;
	(c) third party property damage;
	(d) equipment owned or leased;
	(e) props, sets and wardrobes;
	(f) time element coverage for unavailability of cast, damaged film or negatives; and
	(g) extra expense due to delays caused by a covered peril.
2-05001	Fine Art Dealers
	All-risk or named perils coverage for property held for sale by fine art dealers.
2-01010	First Loss Property Insurance
	Property and time element coverage for risks insured for at least \$1 million, but less than the total exposure to property and time element losses, where the remaining amount/exposure is insured by facultative excess reinsurance or excess insurance.
2-05002	Flood Insurance
	(a) Flood insurance excess of maximum limits available from the Federal Flood Program; or
	(b) Primary coverage on property not eligible for the Federal Flood Program.
2-13004	Golf Driving Range Liability
	Personal injury or property damage liability coverage associated with the operation of a driving range, e.g., flying golf balls, improperly wielded golf clubs, etc.
2-10001	Horse and Pony Policy
	Coverage for the death of the insured animal, including veterinary fees; coverage for loss by theft or straying; and coverage for loss of the value of the insured animal caused by nonfatal sickness or accident.
2-13005	Horseback Riding Establishments
	Coverage for riding academies and pony rides.
2-14193	House Movers and Building Demolition Contractors
	Coverage for liability arising out of the moving of a house or the demolition of a building, for example, injury caused by falling brick, flying debris, etc. and structural or other damage to a house being moved.
2-14072	Institutional Administrators Liability
	Coverage for acts in the capacity of administrator of the institution.
2-14174	Joint Hospital and Voluntary Attending Physicians Excess Professional Liability Insurance
	“ <i>Voluntary Attending Physician Program</i> ” (<i>channeling</i>) means a program recognized by section 3436(a) of the Insurance Law which insures one or more hospital and includes, as

	additional named insureds, persons who are voluntary attending physicians, with coverage applicable to both practice conducted at a hospital with such program and the physicians' outside office practice, subject to the following minimum requirements:
	(1) coverage for the primary level shall be, at the minimum, \$1 million per occurrence/\$3 million in the aggregate, for each hospital, including its participating attending physicians;
	(2) coverage for excess layers shall be in excess of the primary layer specified in paragraph (1) of this subdivision;
	(3) each hospital participant must be a licensed general hospital as defined in section 2801 of the Public Health Law of the State of New York;
	(4) the hospitals shall maintain a joint educational program;
	(5) the hospitals shall subscribe to common guidelines for quality care assurance;
	(6) the hospitals shall share in, and commonly develop, safety programs;
	(7) there are demonstrable savings resulting from the joint insurance program;
	(8) the producer of record shall obtain a statement from each hospital to the effect that the aggregate limits of all coverage will, in the opinion of the directors or trustees (or their equivalent) of each hospital, be adequate for the risk exposure;
	(9) each hospital shall maintain full affiliation with the sponsoring program;
	(10) coverage shall be issued either individually to the hospitals or on a group basis but, in either case, the attending physicians shall be issued certificates of insurance evidencing their coverage;
	(11) each such channeling program, as an experimental program, shall be limited to no more than 1,500 attending physicians, in actual practice, but a physician who retires from practice shall not be included in the computation and another physician may be enrolled in such case; and
	(12) the channeling program shall have been permitted by the superintendent prior to the enactment of section 3436(a) of the Insurance Law on July 1, 1986. No new program shall be authorized, and no additional hospital shall join any existing program after such date.
2-07001	Kidnap and Ransom Insurance
	Coverage for losses incurred by the insured as a result of the surrender of property due to extortion associated with the kidnapping or alleged kidnapping of an employee or members of the household of an employee.
2-14057	Large Deductible or Self-Insured Retention Insurance
	Property and/or liability insurance policies having either a deductible or self insured Retention of at least \$50,000.
2-13006	Lead Liability Insurance
	Coverage for personal injury resulting from the ingestion or inhalation of lead or lead dust.
2-13007	Liquor Law Liability Coverage
	Monoline liquor law liability coverage for taverns and restaurants only where liquor sales exceed 75 percent of total sales revenue.
2-10004	Livestock—Prospective Foal Coverage
	Coverage against death or injury to livestock prior to birth and resulting loss of earnings.
2-14088	Logger's Liability Coverage
	Coverage for damage negligently caused by a logging contractor.

2-14162	Media Liability
	Coverage provided to advertising agencies, advertisers, authors, personal appearance, broadcasters, multi-media companies and publishers for liability arising from defamation (including libel and slander), invasion of privacy, infringement of intellectual property rights (including piracy, plagiarism, trademark and copyright), contextual errors and omissions and incitement.
2-50004	Mergers and Acquisitions
	Insurance for claims arising from merger and acquisition transactions, including all related coverages that are permissible under the New York Insurance Law.
2-02026	Mobile Home—Emergency Removal Service
	Coverage for liability of mobile home park owner when removal is necessary due to named perils.
2-22002	Motorsports Racing Liability
	Liability coverage for owners or lessors of motorsports racing venues (e.g. race tracks for oval track events, drag races, monster truck rallies, motocross, motorcycle, boat or snowmobile racing, and other types of motorized vehicle competitive events).
2-22003	Motorsports Racing and Motorsports Liability
	Coverage for claims of spectators, participants or other third parties in connection with the operation of motorsports venues, or the staging or conduct of motorsports events or participation therein by teams and individuals.
2-14196	Natural Disaster Protection—coverage for losses incurred by business owners and homeowners to their place of employment and residences as a direct result of specified natural disasters. This coverage is intended to supplement any available basic property coverages maintained by the insured.
2-14999	Nuclear Risk Insurance
	(a) Coverage for property of those directly engaged in the nuclear operations, including loss due to radioactive contamination of the insured's premises.
	(b) Coverage for bodily injury or property damage liability caused by the radioactive, toxic, explosive, or other hazardous properties of nuclear material.
2-14104	Petroleum Refineries—Excess of Loss Liability
	Coverage for liability over primary insurance.
2-50000	Political Risk Insurance
	Coverage for losses arising out of the actions of a foreign government. This includes:
	(1) loss of use or destruction of property located in a foreign country;
	(2) loss of income from operations or uncompleted contracts in a foreign country;
	(3) nonpayment on contract due to the inability to convert foreign currency into “contract” currency;
	(4) termination of contracts due to license cancellations and embargoes;
	(5) war, civil war, revolution, rebellion or insurrection within a foreign country or along the route of shipment which prevents completion of contracts; or
	(6) expropriation, confiscation, naturalization, seizure, requisition or arbitrary and selective intervention by a foreign government preventing completion of contracts or otherwise affecting business operations of the insured in such country.
2-10014	Poultry
	Insurance on the life of chickens, turkeys and other domestic poultry issued on a

	nonstandard form; includes full weather perils as well as fire and other extended coverage perils, transportation and flood. Death caused by huddling or piling of the flock in reaction to a covered peril is also covered.
2-14115	Private Guards, Patrols, and Security Forces Premises and Operations Liability Manufacturers and contractors exposure only.
2-14116	Product Failure Liability Insurance Insurance covering a manufacturer for the failure of its products when the failure causes loss of use of a customer's tangible property which has not been physically damaged or destroyed. The product must fail to perform the function intended by the manufacturer and the failure must be due to a mistake or deficiency in design, formula, plan, printed instructions, etc., prepared by the manufacturer. The policy excludes loss arising out of any product manufactured entirely to a customer's specification or any other experimental or prototype product that has not been tried, tested and approved by the manufacturer.
2-14194	Product Liability Insurance Product liability coverage for the following classes of risk only: aircraft parts manufacturers; automobile parts manufacturers; bioengineered products; farm equipment parts manufacturers; firearms manufacturers; helmet manufacturers; pharmaceutical products manufactures.
2-50005	Product Liability for Fire Extinguishers and Accessories Lead and Wire Seal, Hose, Horn and Nozzle Assemblies, Foam, Buckets, Reducer, Calcium Chloride, Sodium, Bicarbonate, Fire Hats.
2-14118	Products—Recapture or Recalled This provides coverage per the so-called “sistership liability” exclusion contained in the products policy. The coverage applies to damages claimed for the withdrawal, inspection, repair, replacement or loss of use of the named insured's products, or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency.
2-14119	Product Tampering Coverage for the liability of manufacturers and marketers for losses due to personal injury or property damage caused by the unauthorized alteration, adulteration or contamination of the insured's product by third parties.
2-50009	Property Insurance for Highly Protected Risks (HPR) Highly protected risks are properties that are subject to a substantially lower than normal probability of loss by virtue of superior construction, special fire protection equipment/procedures, and management commitment to loss prevention.
	PROFESSIONAL/ERRORS & OMISSIONS LIABILITY
	The following categories may be underwritten to cover liability arising out the performance of professional duties:
2-14002	Accountants
2-14204	Actuarial Professional Liability Coverage
2-14005	Advertisers
2-14013	Architects
2-50006	Attorney’s Errors and Omissions—Non law firms Coverage for attorneys who are employed as lawyers by a business entity that is not a law firm.
2-14178	Attorney's Errors and Omission—Large or High Risk Firms

	Policies providing professional liability coverage for law firms consisting of at least 25 attorneys, or firms of any size in which more than five percent of the aggregate annual billings are derived from the following types of legal work:
	(1) mergers and acquisitions;
	(2) representing banks, savings and loan associations or other financial institutions on matters other than collections or real estate closings;
	(3) matters involving the Securities Exchange Commission;
	(4) matters involving Admiralty Law; or
	(5) matters involving intellectual property patents, trademarks and copyrights.
2-14021	Beauty Schools
2-14169	Cable Access Television (CATV)
2-14026	Clinical Laboratories
2-14028	Collection Agencies
2-14197	Commercial and Residential Real Estate Agents and Brokers and Property Management Services
	Policies covering the liability of real estate agents and brokers and property managers who are engaged in large commercial and residential real estate projects. The policies would include, but are not limited to, liability coverage for acts arising out of the brokerage of sales and lease of real estate, property management, construction management and consulting, general consulting, franchising, joint ventures, mortgage brokering, appraisals, auction, referrals, business brokerage activities and the development of owned commercial and residential real estate.
2-14163	Community Health Center Wraparound
	Policies providing professional liability coverage to community centers which receive funds under Section 330 of the Public Health Service Act and which have been made eligible for malpractice coverage under the Federal Tort Claims Act pursuant to the Health Centers Assistance Act of 1992 (Public Law 102-501).
2-14035	Corporate Trustees
2-14051	Employee Benefit Plan Trustees
2-14054	Engineers
2-14164	Excess and Surplus Lines Brokers
2-14172	Film Distributors
2-14199	Health Maintenance Organizations (HMOs)
	Policies providing errors and omissions coverage for a healthcare system that assumes or shares both the financial risk and delivery risk associated with providing comprehensive medical services to the voluntarily enrolled population in a particular geographic area, usually in return for a fixed, prepaid fee. This coverage excludes health care professionals.
2-14200	Independent Physicians Association (IPA)
	Policies providing errors and omissions coverage for an organization comprised of individual physicians or physicians in small group practices that contracts with managed care organizations (MCOs) on behalf of its member physicians to provide healthcare services. This coverage excludes health care professionals.
2-14179	Insurance Companies and Financial Institutions
	Policies providing errors and omissions coverage to insurance companies, banks, savings and loan associations, mortgage companies and other financial institutions.
2-14198	Interior Designers
	Professional liability coverage for the development and implementation of designs for

	interior environments, including the preparation of drawings and specifications for non-load-bearing interior construction.
2-14076	Investment Counselors, Asset Managers and Venture Capital Professionals and Management Liability
2-14078	Land Surveyors
2-14180	Large Firms
	Policies providing errors and omissions coverage to individuals, partnerships or professional corporations having annual billings of \$20,000,000 or more.
2-14092	Marine Surveyors
2-14170	Medical Arts Schools and Colleges
	Including acts of students not otherwise covered.
2-14096	Mobile X-Ray-Units
2-14036	Municipal and Public Entities
2-14100	Mutual Funds
2-14103	Nursing Homes—Administrators
2-14106	Paramedics
2-14108	Pension Plan Consultants
2-14109	Pension Plan Trustees
2-14111	Physicians—Medical Students
	Policies providing coverage for those in training to be physicians or nurses.
2-14185	Physicians—Temporaries
	Policies providing coverage for physicians, under contract with a commercial entity, placed on a part-time or full-time basis with hospitals, government agencies or private practices to fill the temporary staffing needs of those providers.
2-14112	Police Officers
2-14201	Preferred Provider Organization (PPO)
	Policies providing errors and omissions coverage for an organization that has a healthcare benefit arrangement designed to supply services at a discounted cost by providing incentives for members to use designated healthcare providers (who contract with the PPO at a discount), and also provides coverage for services rendered by healthcare providers who are not part of the PPO network. This coverage excludes health care professionals.
2-14171	Psychologists
2-14166	Publicists and Public Relations
2-14125	Reducing Salons
2-14129	Scalp Treatment
2-14138	Social Services Agencies
	Excluding medical or other health services.
2-14139	Social Workers
2-14143	Stockbrokers
2-14168	Talent (Artists)
2-14042	Technology Products & Services
	Policies providing coverage for data processors, programmers, analysts, software developers, information and network service providers, cloud service providers, website hosting services and similar professional technology products and services. Errors or omissions in the performance of (or failure to perform) services in connection with the insured's information and network

	technology products or services (including hardware or software)
2-14202	Third Party Administrator (TPA)
	Policies providing errors and omissions coverage for a company that provides administrative services to managed care organizations or self-funded health plans but that does not have the financial responsibility for paying benefits. This coverage excludes health care professionals.
2-14155	Trustees—Trust Department
2-14153	Trustees and Fiduciaries
2-14203	Utilization Review Organization (URO)
	Errors and omissions policies for external organizations that conduct reviews to assess the medical appropriateness of suggested courses of treatment for patients thereby providing the patient and the purchaser increased assurance of the value and quality of healthcare services. This coverage excludes healthcare professionals.
2-13008	Recreational Guide Services
	Coverage for outfitters and guides for camping, hiking, rafting and similar recreational activities.
2-22004	Residual Value Insurance (Commercial Risks Only)
	Residual Value Insurance as defined in section 1113(a)(22) of the Insurance Law, but shall not include residual value insurance on motor vehicles or policies subject to Insurance Law section 3425. (Note that residual value insurance does not include gap insurance.)
2-27008	Schools—Special Education Programs
	Legal Liability.
2-14130	Securities and Exchange Act Liability Insurance
	Policies providing liability coverage for directors, officers, managers, trustees, shareholders and other professionals for:
	(1) liability arising out of the Securities and Exchange Act and similar Federal, State, local or foreign government law involving the sale or purchase of securities;
	(2) liability arising out of the registration (or failure to register) of securities with the Federal Trade Commission; or
	(3) liability arising out of the alleged use of nonpublic information in a manner violative of the Securities and Exchange Act.
2-14195	Security Guards—Armed and/or Using Dogs
	Professional liability coverage for security guard firms which provide guards using firearms or dogs.
2-13009	Skating Rinks
	Liability coverage for injury to participants and spectators in ice and roller skating rinks.
2-13010	Ski Area Liability
	Liability coverage for owners and operators of ski resorts, ski lifts, ski equipment sales and rental, ski lessons, ski trail maintenance, snow-making operations, etc.
2-28003	Ski Resort High Limit—Accidental Death and Dismemberment
	Coverage in excess of \$500,000 only.
2-14141	Special Events Insurance
	Policies providing coverage for unique exposures of limited duration which require varied and specialized pricing and coverage. Types of coverage would include legal liability, contractual liability, all risk coverage, CGL coverage, etc. Policies would be issued to, among others, sponsors, organizers, performers and participants of trade shows, parades,

	flea markets, concerts, etc.
2-14142	Sports Instructors Liability
	Coverage for judo and karate instructors, scuba or skin diving instructors and water-ski or snow-ski instructors.
2-02038	Television Broadcast Interruption
	Covers the reduction in gross admission fees caused by interruption by breakdown, failure, malfunctioning or any disorder of equipment lines and appurtenances thereto, which prevents presentation of the audio or showing of a telecast.
2-13011	Tractor Pulls/Mud Bogs
	Liability coverage for claims of spectators, participants or other third parties in connection with the operation of organized exhibitions, races or demonstrations primarily involving “Monster” trucks, tractors and similar off-road vehicles.
2-50001	Trade Credit Insurance
	Coverage for manufacturers, wholesalers, service organizations, etc., against the loss of an outstanding monetary interest in trade receivables for goods or services provided on credit, due to insolvency of the debtor or due to a political event in the debtor's country which prevents repayment.
2-18001	Tuition Refund Broad and Limited Plans
	This coverage refunds the unused fees due to class time lost when a student is absent or withdrawn from classes because of illness or accident.
2-14205	Warehouseman’s Liability
	Coverage for the liability of a warehouse owner and/or operator for loss or damage to the lawful goods of others in their care, custody or control.
2-01001	Weather Insurance—Property coverage for a pecuniary loss or loss of use as a result of any adverse weather event causing the pecuniary loss or loss of use.

Section 16.13 [Repealed]