

**EXECUTIVE ORDER NO. 107**

WHEREAS, beginning on October 28, 2012, and continuing through October 30, 2012, Hurricane Sandy struck the State of New Jersey with high winds and torrential rains; and

WHEREAS, Sandy produced unprecedented severe weather conditions, including enormous storm surges and devastating flooding; and

WHEREAS, Sandy destroyed entire communities across New Jersey, and left much of the State inaccessible; and

WHEREAS, Sandy has damaged and destroyed property throughout the State and will result in property owners filing claims with their insurers related to that damage; and

WHEREAS, the damage caused from Sandy, including fallen trees, downed power lines, damage to roadways, and disruptions in electrical service, has produced dangerous conditions throughout the State that continue to jeopardize public safety; and

WHEREAS, the effects of Sandy have disrupted transportation and communication, making it difficult for the citizens of the State to meet normal deadlines and comply with documentation requirements of insurers, banks, savings and loans, mortgage bankers and brokers, insurance producers, real estate brokers,

and any other person or entity subject to licensure or regulation by the Department of Banking and Insurance; and

WHEREAS, it is necessary to take action to minimize additional risks to lives and public safety as the State begins rebuilding and recovering from Sandy; and

WHEREAS, the National Weather Service categorized Sandy as a post-tropical storm prior to landfall in New Jersey; and

WHEREAS, on October 27, 2012, in light of the dangers posed by Sandy, and pursuant to the authority provided under the Constitution and statutes of the State of New Jersey, particularly the provisions of N.J.S.A. App. A:9-33, et seq., N.J.S.A. 38A:3-6.1, and N.J.S.A. 38A:2-4, and all amendments and supplements thereto, I declared a State of Emergency; and

WHEREAS, in accordance with N.J.S.A. App. A:9-34 and -51, I reserved the right to utilize and employ all available resources of the State government to protect against the emergency created by Sandy; and

WHEREAS, pursuant to N.J.S.A. App. A:7-1, the Commissioner of the Department of Banking and Insurance has the power to make, alter, amend, and rescind rules and regulations imposing any condition upon the conduct of the business of any insurance company that may be necessary or desirable to maintain sound methods of insurance and to safeguard the interests of

policyholders, beneficiaries, and the public generally, during the period of an emergency; and

WHEREAS, pursuant to N.J.S.A. 17:36-5.34 and N.J.S.A. 17:1-15 the Commissioner of the Department of Banking and Insurance has the authority to establish by regulation uniform policy language regarding the applicability of hurricane deductibles, and is granted wide authority to administer the work of the Department;

NOW, THEREFORE, I, CHRIS CHRISTIE, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. In light of the National Weather Service's categorization of Sandy as a post-tropical storm, it shall be a violation of N.J.A.C. 11:2-42.7 for any insurer to apply a mandatory or optional hurricane deductible to the payment of claims for property damage attributable to Sandy.

2. All insurers, banks, savings and loans, mortgage bankers and brokers, insurance producers, real estate brokers, and any other person or entity subject to licensure or regulation by the Department shall take into consideration the difficulties related to Sandy that all citizens of the State continue to suffer and therefore exercise appropriate

forbearances on collection, cancellation, documentation and other regulatory requirements, including, but not limited to: notifications of hospital admissions; due dates for claim filings, premium and loan payments and late fees; prior authorization requirements; and limitations on prescription refills.

3. All authorized and admitted property and casualty insurers subject to licensure or regulation by the Department may make first- or third-party claim payments for claims related to Sandy by methods other than those permitted by N.J.A.C. 11:2-17.8(k), such as prepaid debit cards, electronic transfer or other comparable alternate payment method, but only: (a) where the claimant agrees to receive a claim payment by an alternate payment method; (b) if the alternate payment method is not subject to any fees that would result in the insured receiving less than the full amount due; (c) if the insured is permitted, at any time, to convert any balance into cash; and (d) if the claimant is notified of applicable terms and conditions.

4. The Commissioner of the Department of Banking and Insurance is directed to take all appropriate steps to effectuate this Order.

5. This Order shall take effect immediately.

GIVEN, under my hand and seal this  
day of November,  
Two Thousand and Twelve,  
and of the Independence of  
the United States, the Two  
Hundred and Thirty-Seventh.

Chris Christie  
Governor

Attest:

Charles B. McKenna  
Chief Counsel to the Governor