



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
PO Box 325  
TRENTON, NJ 08625-0325  
TEL (609) 292-7272

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

KENNETH E. KOBYSLOWSKI  
*Commissioner*

April 22, 2015

Honorable Paul Sarlo c/o  
David J. Rosen  
Legislative Budget and Finance Officer  
Office of Legislative Services  
State House Annex  
PO Box 068  
Trenton, NJ 08625-0068

**Re: Department of Banking and Insurance Budget Hearing Response**

Dear Chairman Sarlo,

Please accept the following in response to your April 17, 2015 letter requesting follow-up information with respect to the questions raised by Senators Beck and Oroho at the Department of Banking and Insurance (Department) budget hearing on April 14, 2015. Senator Beck asked two questions relating to (1) the reopening of settled National Flood Insurance Program (NFIP) claims; and (2) the status of the Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM). Senator Oroho's question pertained to the coverage Uber provides to its drivers and passengers in New Jersey.

*NFIP Claims*

Specifically, Senator Beck asked how homeowners will be notified that they can reopen their claims with NFIP. The Department continues to closely monitor the Federal Emergency Management Agency's (FEMA) response to allegations of fraud and evidence of underpayment of Sandy claims in the federal flood insurance program. FEMA recently notified representatives of Sandy-impacted states that the agency is planning a wide-ranging effort to inform homeowners of their ability to re-open their flood claims and seek higher payments from the flood program. FEMA described an extensive outreach process that will include public announcements, direct mailings and social media, in addition to the posting of information on the FEMA website. With respect to direct mailings, FEMA acknowledged that the agency may no longer have current mailing addresses for many flood policyholders. Thus, FEMA indicated that they are considering employing a service that specializes in determining current mailing addresses. It is our understanding that FEMA's intent is to commence formal outreach efforts to policyholders soon. While the Department has no jurisdiction over this federal program, we will continue to track the progress of FEMA in resolving the very serious concerns that have been raised.

*RREM Status*

Senator Beck requested an update as to the status of the RREM program, including deadlines associated with Community Development Block Grant Disaster Recovery (CDBG-DR) funds and any foreseeable extensions. This Department does not have jurisdiction over the RREM program or the CDBG-DR funds that the federal government provided the State to aid in recovery following Superstorm Sandy. The Department of Community Affairs would be better equipped to address the Senator's inquiry.

*Uber Insurance Coverage*

Senator Oroho asked if the coverage which Uber provides its drivers and passengers provided through the James River Group insurance company excludes coverage in New Jersey. Though not required to do so, Uber has provided information to the Department about insurance policies it has secured at various times for damages arising from Transportation Network Company (TNC) related activities. The policies informally reviewed by the Department do describe coverages in New Jersey for certain TNC-related activities occurring here. However, because Uber and other TNC entities are not regulated by the Department, we do not know whether the policies presented to us remain in force, or whether the terms of the policies have changed since our informal review. As the Department indicated in its May 27, 2014 press release on TNC activities, our main concern has been that consumers who suffer damages during TNC-related activities may be surprised by differences between any coverages that may exist under a given TNC policy, and the consumers' own private passenger auto policy. In certain cases, these differences are likely to be perceived by consumers as "gaps" in coverage. The extent to which such gaps continue to exist is unknown to the Department, for the reasons stated above.

I trust that the foregoing is responsive to your various inquiries. Please advise if you require any additional information.

Very truly yours,



Kenneth E. Kobylowski  
Commissioner