

# United States Congress

July 24, 2023

Dear Insurer:

As an insurer of Vermonters, you know that Vermont is currently experiencing our worst natural disaster since 1927. Many hundreds of homes and businesses have been damaged by the terrible flooding throughout the state.

As Vermont families and businesses transition from response to recovery, they will be relying on their insurance companies to act expeditiously and treat them fairly in assessing what damage can be covered under their individual policies. This is particularly important in a time of disaster, as many Vermonters will qualify for federal funding only after receiving determinations from their insurers. Additionally, impacted individuals, businesses, and homeowners have a limited window to apply for federal dollars, making it critically important that they receive responses from you in an expeditious fashion.

It is imperative that impacted Vermonters know how to best avoid incorrect insurance claim denials. To achieve this, we are counting on your company to take the steps outlined below to ensure that Vermonters receive all the help to which they are entitled to rebuild their lives following this catastrophic flooding. This is the time for showing compassion and flexibility for working families and small business owners so that disaster survivors in Vermont can get back on their feet as quickly as possible. As an insurance provider, you play an important role in this recovery process, and your actions today will decide the state's trajectory for years to come.

Specifically, we request that your company take the following steps to help Vermonters recover from this horrific disaster. Please respond no later than July 31<sup>st</sup> to confirm whether your company is taking these steps, and with any additional actions you have planned. For any step your company is not taking, please explain the reason for your decision.

1. **Premiums:** Temporarily suspend premium payments and vacancy provisions for those impacted by the disaster and work with policyholders to come up with a workable repayment plan.
2. **Expedient Processing:** Quickly and accurately process all claims made and provide advance payments whenever possible to ensure the volume of claims does not delay payment and extend hardship. This will be critical in not only paying Vermonters for their covered claims but will enable them to apply for federal disaster relief assistance, which requires documentation of insurance claim denials. Failure to promptly process claims could prevent Vermonters from receiving critical federal disaster relief assistance.
3. **Underwriting:** As previously mentioned by Vermont's Department of Financial Regulation, insurers should not re-rate, cancel, non-renew, or refuse to provide insurance coverage solely due to an individual's status as a victim or evacuee of this disaster.

Likewise, insurers should not change the policyholder's rating classification or increase rates because they are a victim of recent flooding.

4. **Flexibility:** Use all existing authorities to execute your duty to properly investigate all claims to determine if coverage exists. Given the severity of this situation and the fact that federal funding will focus on only necessary expenses, insurers must be comprehensive, flexible, and compassionate when settling claims, in addition to being prompt. Furthermore, insurers should work with claimants impacted by the flooding that may be unable to meet reporting timelines as specified in their policies.

We are closely tracking incoming correspondence from Vermonters regarding their insurance claims and payments by company, insurance type, and monitoring specific issues that constituents are experiencing. Should we notice any problematic patterns, we will be notifying the Department of Financial Regulation, as well as contacting your company directly to talk through possible solutions.

Thank you in advance for doing the right thing by those Vermont families and businesses you insure as they, and our state, recovers from catastrophic flooding. Responses and any questions regarding these requests may be directed to [insurers@sanders.senate.gov](mailto:insurers@sanders.senate.gov). If you have any questions, please also feel free to call my office directly at 202-224-5141.

Sincerely,



BERNARD SANDERS  
United States Senator



PETER WELCH  
United States Senator



BECCA BALINT  
Member of Congress