



Julie Menin  
Commissioner

Assistant General Counsel

42 Broadway  
8th Floor  
New York, NY 10004

nyc.gov/consumers

September 26, 2014

**BY EMAIL AND FIRST CLASS MAIL**

[Redacted]

**RE: Sidewalk Café Insurance Requirements**

Dear Mr. [Redacted]

This letter is in response to your inquiry in which you ask for clarification regarding the insurance requirements for sidewalk cafés licensed by the NYC Department of Consumer Affairs (“the Department”) to operate in New York City (“NYC” or “the City”).

You correctly state that Title 6 of the Rules of the City of New York Section 2-57(c) requires a sidewalk café licensee to “secure and maintain throughout the term of the license liability insurance issued by a company duly authorized to do business in the State of New York, insuring the licensee and the City of New York ... (1) For bodily injury including death, in (i) the minimum amount of \$100,000 for any one (1) person and (ii) the minimum amount of \$300,000 for any one (1) accident; and (2) for property damage in the minimum amount of \$25,000.”

The Revocable Consent Agreement, effective June 4, 2014, (“2014 RC Agreement”) which contains the terms of the revocable consent that a sidewalk café licensee must comply with, also includes specific requirements regarding the insurance policy that must be maintained. Paragraph 19 of the 2014 RC Agreement states, for instance, “the Grantee [sidewalk café licensee] shall maintain Commercial General Liability insurance protecting the insureds from claims for property damage and/or bodily injury ... provided by a company that may lawfully issue such policy and have an A.M. Best rating of at least A- / “VII” or a Standard and Poor’s rating of at least A.”

The previous Revocable Consent Agreement, effective from June 5, 2013 to June 4, 2014, did not contain this term. Thus, sidewalk café licensees who executed this prior Revocable Consent Agreement were not required to obtain



insurance from companies that were rated at least A- or “VII” by A.M. Best or at least A by Standard and Poor’s.

The terms of the current 2014 RC Agreement, however, require that insurance obtained by a sidewalk café must be provided by a company with an “A.M. Best rating of at least A- / “VII” or a Standard and Poor’s rating of at least A.” Thus, sidewalk café licensees who have entered into the 2014 RC Agreement with the City must obtain Commercial General Liability insurance from companies that satisfy these ratings, and which provide coverage for the licensee and the City, in the minimum amounts required by 6 RCNY Section 2-57(c) and the 2014 RC Agreement. For the convenience of businesses seeking current licensing information for sidewalk cafés, these requirements are provided on the Department’s website.

Thank you for your inquiry.

Sincerely,

A black rectangular redaction box covering the signature of the Assistant General Counsel.

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Assistant General Counsel