S T A T E O F N E W Y O R K

4654

2011-2012 Regular Sessions

I N S E N A T E

April 14, 2011

Introduced by Sen. ZELDIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to prohibiting discrimination in the issuance or renewal of homeowner's insurance policies and to the geographical location of risk of certain policies

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 3429 of the insurance law is amended to read as follows:

S 3429. Geographical location of risks; HOMEOWNERS'; fire, fire and extended coverage policies; private passenger automobile insurance policies. (a) No insurer shall REJECT ANY APPLICATION FOR, refuse to issue or renew, LIMIT THE TYPE OR AMOUNT OF COVERAGE OFFERED or shall cancel a policy of:

(1) HOMEOWNERS' INSURANCE, fire insurance or fire and extended coverage insurance, or

(2) automobile insurance subject to section three thousand four hundred twenty-five of this article

based solely on the geographical location of the risk OR PROPERTY within this state. Such prohibition shall not preclude an insurer from REJECTING AN APPLICATION FOR SUCH COVERAGE BASED ON THE UNREASONABLE DISTANCE OF THE RISK OR PROPERTY FROM THE INSURER'S ORDINARY SERVICE AREA, OR FROM refusing to issue or renew, LIMITING THE TYPE OR AMOUNT OF COVERAGE OFFERED or from cancelling such policies [based on sound underwriting and actuarial principles] reasonably related to actual or anticipated loss experience subject to the applicable provisions of section three thousand four hundred twenty-five of this article.

(b) The superintendent shall by regulation establish procedures with respect to notification to insureds of the insurer's specific reason or reasons for refusal to issue or renew or for cancellation of such policy.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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S 2. Section 3433 of the insurance law is amended to read as follows:

S 3433. Termination of contracts or accounts of licensed agents or brokers; prohibition; geographical location. (a) No insurer shall terminate or refuse to renew a contract or account of a licensed agent or broker who negotiated policies of:

(1) HOMEOWNERS' INSURANCE, fire insurance or fire and extended coverage insurance or

(2) automobile insurance subject to section three thousand four hundred twenty-five of this article when such termination or refusal to renew is based solely on the geographical location of the agent or broker or GEOGRAPHICAL LOCATION of the risks for which coverage is afforded through such agent or broker.

(b) The superintendent shall by regulation establish procedures requiring notification to such agents or brokers of the insurer's specific reason or reasons for termination or refusal to renew the agent's or broker's contract or account.

S 3. This act shall take effect on the thirtieth day after it shall have become a law and shall apply to all contracts and policies of insurance issued or renewed on and after such date.