

4235

2013-2014 Regular Sessions

I N S E N A T E

March 15, 2013

Introduced by Sen. LATIMER -- 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 creating a task force on disasters

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

1 Section 1. The insurance law is amended by adding a new section 215 to  
2 read as follows:

3 S 215. TASK FORCE ON DISASTERS. (A) THERE IS HEREBY CREATED A TASK  
4 FORCE TO EXAMINE HOW INSURERS WHO WRITE POLICIES THAT COVER LOSS OF OR  
5 DAMAGE TO REAL PROPERTY, PERSONAL PROPERTY, OR OTHER LIABILITIES FOR  
6 LOSS OF, DAMAGE TO, OR INJURY TO PERSONS OR PROPERTY IN NEW YORK STATE  
7 RESPOND TO DISASTERS, IN WHAT WAYS STATE AND LOCAL AGENCIES SUCH AS THE  
8 DEPARTMENT OF FINANCIAL SERVICES AND THE DEPARTMENT OF HOMELAND SECURITY  
9 AND EMERGENCY SERVICES CAN ASSIST CLAIMANTS IN CONNECTING WITH INSURANCE  
10 COMPANIES, AND WHAT STEPS THE INDUSTRY CAN TAKE TO IMPROVE ITS RESPONSE  
11 IN THE FUTURE. THE GOAL OF THE TASK FORCE ON DISASTERS WILL BE TO  
12 DETERMINE IF POLICYHOLDERS AND COMMUNITIES HAVE ADEQUATE INSURANCE  
13 COVERAGE AND IF THEY ARE ABLE TO RELY UPON THAT COVERAGE IN THE EVENT OF  
14 A DISASTER.

15 (B) (1) THE TASK FORCE SHALL CONSIST OF EIGHTEEN MEMBERS, ONE OF WHOM  
16 SHALL BE THE SUPERINTENDENT OR HIS OR HER DESIGNATED REPRESENTATIVE, ONE  
17 OF WHOM SHALL BE THE COMMISSIONER OF THE DEPARTMENT OF HOMELAND SECURITY  
18 AND EMERGENCY SERVICES OR HIS OR HER DESIGNATED REPRESENTATIVE, FOUR OF  
19 WHOM SHALL BE APPOINTED BY THE GOVERNOR, FOUR OF WHOM SHALL BE APPOINTED  
20 BY THE GOVERNOR BASED UPON THE RECOMMENDATION OF THE SPEAKER OF THE  
21 ASSEMBLY, FOUR OF WHOM SHALL BE APPOINTED BY THE GOVERNOR BASED UPON THE  
22 RECOMMENDATION OF THE TEMPORARY PRESIDENT OF THE SENATE, TWO OF WHOM  
23 SHALL BE APPOINTED BY THE GOVERNOR BASED UPON THE RECOMMENDATION OF THE  
24 MINORITY LEADER OF THE ASSEMBLY, AND TWO OF WHOM SHALL BE APPOINTED BY

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

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1 THE GOVERNOR BASED UPON THE RECOMMENDATION OF THE MINORITY LEADER OF THE  
2 SENATE.

3 (2) THE APPOINTEES SHALL INCLUDE REPRESENTATIVES OF THE FOLLOWING:

4 (A) FIVE INSURERS WHO WRITE POLICIES THAT COVER LOSS OF OR DAMAGE TO  
5 REAL PROPERTY, PERSONAL PROPERTY, OR OTHER LIABILITIES FOR LOSS OF,  
6 DAMAGE TO, OR INJURY TO PERSONS OR PROPERTY, INCLUDING REPRESENTATIVES  
7 FROM COMPANIES OF VARYING SIZES AND LOCATIONS AND AT LEAST ONE INSURER  
8 WHO WRITES FOR THE NATIONAL FLOOD INSURANCE PROGRAM.

9 (B) FIVE LOCAL OFFICIALS WHO RESPOND TO DISASTERS AND EMERGENCIES,  
10 INCLUDING POLICE OFFICIALS, PROFESSIONAL AND VOLUNTEER FIRE AND EMERGEN-  
11 CY SERVICES PERSONNEL, AND LOCAL OFFICIALS RESPONSIBLE FOR THE COORDI-  
12 NATION OF EMERGENCY SERVICES AND THE LOCALITY'S RESPONSE TO A DISASTER  
13 OR EMERGENCY. THESE APPOINTMENTS SHALL REFLECT THE GEOGRAPHIC DIVERSITY  
14 OF THE STATE AND INCLUDE REPRESENTATIVES FROM LOCALITIES WITH VARYING  
15 POPULATION DENSITIES. THESE APPOINTMENTS SHALL ALSO INCLUDE REPRESENT-  
16 TIVES FROM NEW YORK CITY, LONG ISLAND, THE HUDSON VALLEY, AND RURAL  
17 AREAS OF THE STATE THAT ARE PRONE TO FLOODING.

18 (C) TWO ORGANIZATIONS THAT REPRESENT INDEPENDENT AND PUBLIC ADJUSTERS.

19 (D) TWO NON-PROFITS THAT HAVE EXPERIENCE WITH DISASTER RELIEF.

20 (E) TWO CONSUMER ADVOCACY GROUPS.

21 (3) RECOMMENDATIONS AND APPOINTMENTS SHALL TAKE INTO CONSIDERATION THE  
22 EXPERTISE OF OTHER APPOINTEES, SO THAT THE TASK FORCE REFLECTS A DIVER-  
23 SITY OF EXPERIENCE.

24 (4) THE MEMBERS OF THE TASK FORCE SHALL NOT RECEIVE COMPENSATION, BUT  
25 SHALL BE REIMBURSED FOR REASONABLE TRAVEL EXPENSES.

26 (C) THE SUPERINTENDENT, OR HIS OR HER DESIGNATED REPRESENTATIVE, AND  
27 THE COMMISSIONER OF THE DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY  
28 SERVICES, OR HIS OR HER DESIGNATED REPRESENTATIVE, SHALL SERVE AS THE  
29 CO-CHAIRS OF THE TASK FORCE.

30 (D) THE TASK FORCE SHALL REPORT TO THE GOVERNOR, THE SPEAKER OF THE  
31 ASSEMBLY, THE TEMPORARY PRESIDENT OF THE SENATE, AND THE CHAIR OF THE  
32 ASSEMBLY INSURANCE COMMITTEE AND THE CHAIR OF THE SENATE INSURANCE  
33 COMMITTEE ON THE RESULTS OF ITS EXAMINATION ONE YEAR AFTER THE EFFECTIVE  
34 DATE OF THIS SECTION. THE REPORT SHALL INCLUDE INFORMATION ON THE CHAL-  
35 LENGES THAT INSURERS FACE WHEN RESPONDING TO A DISASTER, POSSIBLE WAYS  
36 FOR INSURERS TO WORK WITH COMMUNITY STAKEHOLDERS AND STATE AGENCIES TO  
37 ENSURE THAT CLAIMS ARE INVESTIGATED AND PROCESSED IN A TIMELY FASHION, A  
38 SUMMARY OF COMPLAINTS THAT POLICYHOLDERS FROM AFFECTED AREAS HAVE FILED  
39 WITH THE DEPARTMENT AND THE FINAL RESOLUTION OF THOSE COMPLAINTS,  
40 SUGGESTED LEGISLATION ON HOW TO IMPROVE THE INSURANCE INDUSTRY'S  
41 RESPONSE TO DISASTERS, AND ANY OTHER INFORMATION THE SUPERINTENDENT AND  
42 THE COMMISSIONERS OF THE DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY  
43 SERVICES DEEMS RELEVANT.

44 (E) IN COMPLETING ITS TASK, THE TASK FORCE WILL CONSIDER THE FOLLOWING  
45 ISSUES, AS WELL AS ANY OTHER ISSUE THAT IT DEEMS RELEVANT:

46 (1) STEPS INSURERS CURRENTLY TAKE IN ORDER TO RESPOND TO DISASTER-RE-  
47 LATED CLAIMS IN A TIMELY FASHION;

48 (2) CHALLENGES INSURERS EXPERIENCE WHEN RESPONDING TO DISASTERS;

49 (3) ADDITIONAL STEPS INSURERS CAN TAKE TO BETTER RESPOND TO THE NEEDS  
50 OF COMMUNITIES AND POLICYHOLDERS AFFECTED BY A DISASTER;

51 (4) HOW INSURERS CAN EFFECTIVELY INVESTIGATE CLAIMS AND MAKE PAYMENTS  
52 WHEN ENTIRE COMMUNITIES HAVE BEEN WIPED OUT AND PEOPLE HAVE BEEN  
53 DISPLACED;

54 (5) WAYS INSURERS CAN PROACTIVELY REACH OUT TO POLICYHOLDERS AND  
55 COMMUNITIES FOLLOWING A DISASTER;

1 (6) WHETHER OR NOT INSURERS ARE GIVING POLICYHOLDERS ENOUGH TIME TO  
2 FILE CLAIMS FOLLOWING A DISASTER;

3 (7) STEPS INSURERS CURRENTLY TAKE TO ADEQUATELY ASSESS DAMAGE SO THAT  
4 HOMEOWNERS AND MUNICIPALITIES CAN REMOVE DEBRIS AND MAKE REPAIRS QUICKLY  
5 AND ANY ADDITIONAL STEPS INSURERS CAN TAKE;

6 (8) WAYS INSURERS ASSIST HOMEOWNERS AND BUSINESSES AFFECTED BY A  
7 DISASTER WHOSE PREMIUMS ARE DUE AND WHETHER THERE IS ADDITIONAL ASSIST-  
8 ANCE AVAILABLE TO POLICYHOLDERS;

9 (9) STEPS INSURERS CAN TAKE IF THEIR EMPLOYEES ARE AFFECTED BY A  
10 DISASTER IN ORDER TO ENSURE THAT THEY ARE STILL ABLE TO RESPOND TO  
11 CLAIMS IN A TIMELY FASHION;

12 (10) WHETHER OR NOT NEW YORKERS HAVE ADEQUATE INSURANCE COVERAGE AND  
13 IF NOT, IDENTIFYING WHAT BARRIERS EXIST THAT MAY PREVENT PEOPLE FROM  
14 PURCHASING ADEQUATE COVERAGE;

15 (11) STEPS INSURERS TAKE TO PREVENT DISPUTES WITH POLICYHOLDERS AND TO  
16 RESOLVE THOSE WHICH DO OCCUR AS WELL AS ADDITIONAL STEPS INSURERS CAN  
17 TAKE;

18 (12) LEGISLATIVE ACTIONS THAT CAN BE CONSIDERED TO ADDRESS SUCH  
19 ISSUES.

20 S 2. This act shall take effect immediately.