

6782

I N S E N A T E

March 10, 2014

Introduced by Sens. KLEIN, SAVINO -- 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 reduction in rates of
property/casualty insurance rates on residential property for insureds
who complete an approved natural disaster preparedness course

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

1 Section 1. Legislative intent. The legislature declares that the
2 purposes of this act are to provide homeowners, condominium owners,
3 cooperative apartment owners, and renters with an incentive to take a
4 course of instruction on how to make their residence more resilient to a
5 natural disaster, reduce the potential loss of life or property damage
6 that could result from a natural disaster, and raise their awareness of
7 natural disaster preparedness by offering property/casualty insurance
8 premium reductions.

9 S 2. The section heading of section 2346 of the insurance law, as
10 amended by chapter 637 of the laws of 1993, is amended and a new
11 subsection 5 is added to read as follows:

12 Reduction in rates of fire insurance [or], homeowners insurance OR
13 PROPERTY/CASUALTY premiums for residential property.

14 5. (A) DEFINITIONS. FOR THE PURPOSES OF THIS SUBSECTION, THE FOLLOWING
15 TERMS SHALL HAVE THE FOLLOWING MEANINGS:

16 (1) "COMPLETION CERTIFICATE" MEANS A DOCUMENT WHICH CANNOT BE ALTERED
17 AND WHICH IS PROVIDED TO A PERSON WHO SUCCESSFULLY COMPLETES A NATURAL
18 DISASTER PREPAREDNESS COURSE.

19 (2) "NATURAL DISASTER" MEANS THE OCCURRENCE OR IMMINENT THREAT OF
20 WIDESPREAD OR SEVERE DAMAGE, INJURY, OR LOSS OF LIFE OR PROPERTY RESULT-
21 ING FROM ANY NATURAL CAUSE INCLUDING, BUT NOT LIMITED TO, FIRE, FLOOD,
22 EARTHQUAKE, HURRICANE, TORNADO, HIGH WATER, LANDSLIDE, MUDSLIDE, WIND,
23 STORM, WAVE ACTION, ICE STORM, EPIDEMIC, AIR CONTAMINATION, BLIGHT,
24 DROUGHT, INFESTATION, EXPLOSION, WATER CONTAMINATION, BRIDGE FAILURE, OR
25 BRIDGE COLLAPSE.

26 (3) "NATURAL DISASTER PREPAREDNESS COURSE" MEANS A NATURAL DISASTER
27 PREPAREDNESS COURSE APPROVED BY THE SUPERINTENDENT, IN CONSULTATION WITH

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

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1 THE COMMISSIONER OF THE DIVISION OF HOMELAND SECURITY AND EMERGENCY
2 SERVICES, PURSUANT TO PARAGRAPH (D) OF THIS SUBSECTION. SUCH COURSE
3 SHALL PROVIDE USEFUL INFORMATION TO PARTICIPANTS ON ITEMS INCLUDING, BUT
4 NOT LIMITED TO: COURSES OF ACTION THAT CAN BE TAKEN BEFORE, DURING AND
5 AFTER THE OCCURRENCE OF A NATURAL DISASTER, STRATEGIES TO REDUCE RISK
6 EXPOSURE TO INSURED RESIDENTIAL PROPERTY OWNERS AND RENTERS, AND INFOR-
7 MATION ABOUT THE INSTALLATION OF EQUIPMENT, DEVICES OR OTHER CAPITAL
8 IMPROVEMENTS TO REAL PROPERTY WHICH CAN HELP TO ELIMINATE OR MITIGATE
9 DAMAGE TO REAL OR PERSONAL PROPERTY, PERSONAL INJURY OR THE LOSS OF LIFE
10 CAUSED BY A NATURAL DISASTER.

11 (B) THE SUPERINTENDENT MAY PROVIDE FOR AN ACTUARIALLY APPROPRIATE
12 REDUCTION FOR A PERIOD OF THREE YEARS IN RATES OF HOMEOWNER'S INSURANCE
13 AND PROPERTY/CASUALTY INSURANCE PREMIUMS APPLICABLE TO RESIDENTIAL REAL
14 PROPERTY FOR EACH TRIENNIAL COMPLETION OF A NATURAL DISASTER PREPARED-
15 NESS COURSE BY THE INSURED OCCUPANT OF SUCH RESIDENTIAL REAL PROPERTY.
16 IN ADDITION, THE SUPERINTENDENT MAY ALSO PROVIDE FOR ACTUARIALLY APPRO-
17 PRIATE REDUCTIONS IN SUCH RATES FOR THE INSTALLATION OF EQUIPMENT,
18 DEVICES OR OTHER CAPITAL IMPROVEMENTS TO REAL PROPERTY WHICH CAN HELP TO
19 ELIMINATE OR MITIGATE NATURAL DISASTER DAMAGE.

20 (C) AN INSURER, UPON APPROVAL OF THE SUPERINTENDENT, MAY UPON
21 SUBMISSION OF A COMPLETION CERTIFICATE BY AN INSURED, PROVIDE AN ACTUAR-
22 IALLY APPROPRIATE REDUCTION, FOR A PERIOD OF THREE YEARS, OF THE PREMIUM
23 FOR SUCH INSURED'S HOMEOWNER'S INSURANCE OR PROPERTY/CASUALTY INSURANCE
24 ON THE RESIDENTIAL REAL PROPERTY WHICH IS THE INSURED'S PLACE OF RESI-
25 DENCE.

26 (D) THE SUPERINTENDENT, IN CONSULTATION WITH THE COMMISSIONER OF THE
27 DIVISION OF HOMELAND SECURITY AND EMERGENCY SERVICES, SHALL ESTABLISH,
28 BY RULE, STANDARDS AND A CURRICULUM FOR NATURAL DISASTER PREPAREDNESS
29 COURSES. EVERY SUCH COURSE SHALL BE APPROVED BY THE SUPERINTENDENT AND
30 SUCH COMMISSIONER.

31 S 3. This act shall take effect on the first of January next succeed-
32 ing the date on which it shall have become a law; provided, however,
33 that effective immediately, any actions necessary to be taken for the
34 implementation of the provisions of this act on its effective date are
35 authorized and directed to be completed on or before such effective
36 date.