

2101

2009-2010 Regular Sessions

I N A S S E M B L Y

January 15, 2009

Introduced by M. of A. THIELE -- read once and referred 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:

1 Section 1. Section 3429 of the insurance law is amended to read as
2 follows:
3 S 3429. Geographical location of risks; HOMEOWNERS'; fire, fire and
4 extended coverage policies; private passenger automobile insurance poli-
5 cies. (a) No insurer shall REJECT ANY APPLICATION FOR, refuse to issue
6 or renew, LIMIT THE TYPE OR AMOUNT OF COVERAGE OFFERED or shall cancel a
7 policy of:
8 (1) HOMEOWNERS' INSURANCE, fire insurance or fire and extended cover-
9 age insurance, or
10 (2) automobile insurance subject to section three thousand four
11 hundred twenty-five of this article
12 based solely on the geographical location of the risk OR PROPERTY within
13 this state. Such prohibition shall not preclude an insurer from REJECT-
14 ING AN APPLICATION FOR SUCH COVERAGE BASED ON THE UNREASONABLE DISTANCE
15 OF THE RISK OR PROPERTY FROM THE INSURER'S ORDINARY SERVICE AREA, OR
16 FROM refusing to issue or renew, LIMITING THE TYPE OR AMOUNT OF COVERAGE
17 OFFERED or from cancelling such policies [based on sound underwriting
18 and actuarial principles] reasonably related to actual or anticipated
19 loss experience subject to the applicable provisions of section three
20 thousand four hundred twenty-five of this article.
21 (b) The superintendent shall by regulation establish procedures with
22 respect to notification to insureds of the insurer's specific reason or
23 reasons for refusal to issue or renew or for cancellation of such poli-
24 cy.

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

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

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

6 (1) HOMEOWNERS' INSURANCE, fire insurance or fire and extended cover-
7 age insurance or

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

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

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