

1845

2009-2010 Regular Sessions

I N S E N A T E

February 9, 2009

Introduced by Sens. KLEIN, DUANE, OPPENHEIMER, PARKER, SMITH -- 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 homeowners' insurance policies

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

1 Section 1. Section 2351 of the insurance law is amended by adding two
2 new subsections (d) and (e) to read as follows:
3 (D) THE SUPERINTENDENT IS DIRECTED TO AMEND THE RULES AND REGULATIONS
4 OF THE DEPARTMENT WITH RESPECT TO THE DEFINITION OF THE MATERIAL
5 REDUCTION OF VOLUME OF HOMEOWNERS' POLICIES TO MEAN A REDUCTION IN THE
6 NET NUMBER OF HOMEOWNERS' INSURANCE POLICIES WRITTEN BY TEN PERCENT
7 INSTEAD OF TWENTY PERCENT OR MORE, OR A REDUCTION IN THE NET NUMBER OF
8 SUCH POLICIES BY FIVE HUNDRED, WHICHEVER IS GREATER, DURING A FIVE YEAR
9 PERIOD OR A REDUCTION OF THE NET NUMBER OF HOMEOWNERS' INSURANCE POLI-
10 CIES IN FORCE, BY TWO PERCENT INSTEAD OF FOUR PERCENT OR MORE, OR A
11 REDUCTION IN THE NET NUMBER OF SUCH POLICIES BY ONE HUNDRED, WHICHEVER
12 IS GREATER, DURING A ONE-YEAR PERIOD.
13 (E) THE SUPERINTENDENT IS DIRECTED TO AMEND THE RULES AND REGULATIONS
14 OF THE DEPARTMENT WITH RESPECT TO THE PLAN TO BE SUBMITTED TO THE SUPER-
15 INTENDENT BY THE INSURER FOR THE ORDERLY REDUCTION OF THE NUMBER OF
16 HOMEOWNERS' POLICIES WRITTEN TO REQUIRE THAT SAID PLAN DEMONSTRATE THE
17 POTENTIAL RISK OR LOSS TO THE SATISFACTION OF THE DEPARTMENT TO JUSTIFY
18 WIDESPREAD CANCELLATION OR NON-RENEWAL OF HOMEOWNERS' POLICIES.
19 S 2. The insurance law is amended by adding a new section 2352 to read
20 as follows:
21 S 2352. STUDY ON THE PROFITABILITY OF THE PROPERTY/CASUALTY INSURANCE
22 INDUSTRY. THE DEPARTMENT IS DIRECTED TO CONDUCT A STUDY ON THE PROFIT-
23 ABILITY OF THE PROPERTY/CASUALTY INSURANCE INDUSTRY. THE DEPARTMENT
24 SHALL SPECIFICALLY REVIEW THE REASONS AND THE RATE AT WHICH INSURERS

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

LBD02897-01-9

1 INCREASE THEIR PREMIUMS OR TERMINATE COVERAGE IN MARKETS LESS IMPACTED
2 BY NATURAL DISASTERS. THE DEPARTMENT SHALL MAKE A PRELIMINARY REPORT TO
3 THE GOVERNOR AND LEGISLATURE OF ITS FINDINGS, CONCLUSIONS AND RECOMMEN-
4 DATIONS NOT LATER THAN MAY FIRST, TWO THOUSAND TEN AND A FINAL REPORT OF
5 ITS FINDINGS, CONCLUSIONS AND RECOMMENDATIONS NOT LATER THAN MAY FIRST,
6 TWO THOUSAND ELEVEN AND SHALL SUBMIT WITH ITS REPORTS SUCH LEGISLATIVE
7 PROPOSALS AS IT DEEMS NECESSARY TO IMPLEMENT ITS PROPOSALS.

8 S 3. This act shall take effect immediately.