

8537

2011-2012 Regular Sessions

I N   A S S E M B L Y

July 13, 2011

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Introduced by M. of A. HIKIND -- Multi-Sponsored by -- M. of A. ABBATE, BARRON, BING, BRENNAN, BROOK-KRASNY, CAMARA, CASTRO, COLTON, CYMBROWITZ, DINOWITZ, HEVESI, JACOBS, JEFFRIES, KAVANAGH, KELLNER, LANCMAN, MAISEL, MENG, MILLMAN, ORTIZ, PERRY, REILLY, J. RIVERA, N. RIVERA, P. RIVERA, ROSENTHAL, STEVENSON, WEINSTEIN, WEPRIN, WRIGHT -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to requiring insurers who underwrite property and casualty policies in the state to cover costs associated with bedbug infestations in residential buildings

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

1     Section 1. Section 3407-a of the insurance law, as added by chapter  
2     306 of the laws of 2001, is amended to read as follows:  
3     S 3407-a. Property/casualty insurance contract and policy standard  
4     provisions. No property/casualty insurance policy or contract shall be  
5     issued or issued for delivery on a risk located or resident in this  
6     state insuring against damage to the insured's real property unless it  
7     contains in substance the following [provision] PROVISIONS or [a  
8     provision] OTHER PROVISIONS which [is] ARE equal or more favorable to  
9     the insured:  
10    (A) a provision that in the event of a pending claim for damage to  
11    real property, upon request, the insurer shall furnish to the insured's  
12    representative, designated in writing, or if none has been designated,  
13    to the insured, a copy of any written estimate or estimates of the cost  
14    of damages to real property resulting from the loss which the insurer  
15    has independently prepared for its own purposes, or had prepared on its  
16    behalf for its own purposes, specifying all appropriate deductions,  
17    within thirty days after the request or preparation, whichever is later,  
18    of such estimate or estimates. An insurer shall not be required to  
19    provide an estimate on claims for damages to real property unless it has

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

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1 independently prepared one or had one prepared on its behalf for the  
2 insurer's own purposes; AND

3 (B) (1) FOR INSURANCE POLICIES ISSUED OR ISSUED FOR DELIVERY ON A RISK  
4 TO PROPERTY ZONED, FOR RESIDENTIAL USE, IN WHOLE OR IN PART, A PROVISION  
5 PROVIDING FOR OPTIONAL COVERAGE WHEREBY THE INSURER SHALL PAY THE COSTS  
6 ASSOCIATED WITH THE TREATMENT, BY A LICENSED EXTERMINATOR, OF BEDBUG  
7 INFESTATIONS AT THE INSURED PROPERTY, INCLUDING ALL COSTS FOR EXTERMI-  
8 NATION SERVICES; COSTS FOR CLEANING OF THE INSURED PROPERTY AND OF  
9 PERSONAL PROPERTY LOCATED AT THE INSURED PREMISES INCLUDING THE DRY-CLE-  
10 ANING OF CLOTHING AND BEDDING; AND THE COST OF REPLACING ITEMS WHICH ARE  
11 NOT ABLE TO BE TREATED OR CLEANED INCLUDING, BUT NOT LIMITED TO,  
12 MATTRESSES OR FURNITURE. THE INSURED SHALL HAVE THE RIGHT TO SELECT HIS  
13 OR HER PREFERRED METHOD OF EXTERMINATION FROM THE SERVICES OFFERED BY  
14 ANY LICENSED EXTERMINATOR.

15 (2) INSURANCE COVERAGE TO REIMBURSE THE COSTS OF TREATMENT OF BEDBUG  
16 INFESTATIONS AT AN INSURED PROPERTY SHALL NOT EXCEED FIVE THOUSAND  
17 DOLLARS FOR RESIDENCES OF TWO THOUSAND SQUARE FEET OR LESS AND TEN THOU-  
18 SAND DOLLARS FOR RESIDENCES OF OVER TWO THOUSAND SQUARE FEET.

19 (3) ALL INSURANCE COVERAGE SHALL BE PROVIDED ONLY AT THE OPTION OF THE  
20 INSURED AND SHALL BE PROVIDED AT ADDITIONAL COST TO THE INSURED.

21 (4) THE PROVISIONS OF THIS SUBSECTION SHALL APPLY TO ALL HOMEOWNER'S,  
22 RENTER'S, AND CONDO/CO-OP UNIT INSURANCE POLICIES, OR RENEWALS OF SUCH  
23 POLICIES, ISSUED IN THE STATE ON OR AFTER THE EFFECTIVE DATE OF THIS  
24 SUBSECTION.

25 S 2. This act shall take effect on the one hundred eightieth day after  
26 it shall have become a law; provided, however, that effective immediate-  
27 ly, the superintendent of insurance is authorized and directed to  
28 promulgate all rules, regulations and standards necessary for the imple-  
29 mentation of this act on or before such effective date, including, but  
30 not limited to, determining procedures for submission to and payment of  
31 claims by insurers and for determining the extent of a bedbug infesta-  
32 tion.