S T A T E O F N E W Y O R K

4926--A

2011-2012 Regular Sessions

I N S E N A T E

April 29, 2011

Introduced by Sen. KLEIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

Section 1. Section 3407-a of the insurance law, as added by chapter 306 of the laws of 2001, is amended to read as follows:

S 3407-a. Property/casualty insurance contract and policy standard provisions. No property/casualty insurance policy or contract shall be issued or issued for delivery on a risk located or resident in this state insuring against damage to the insured's real property unless it contains in substance the following [provision] PROVISIONS or [a provision] OTHER PROVISIONS which [is] ARE equal or more favorable to the insured:

(A) a provision that in the event of a pending claim for damage to real property, upon request, the insurer shall furnish to the insured's representative, designated in writing, or if none has been designated, to the insured, a copy of any written estimate or estimates of the cost of damages to real property resulting from the loss which the insurer has independently prepared for its own purposes, or had prepared on its behalf for its own purposes, specifying all appropriate deductions, within thirty days after the request or preparation, whichever is later, of such estimate or estimates. An insurer shall not be required to provide an estimate on claims for damages to real property unless it has independently prepared one or had one prepared on its behalf for the insurer's own purposes; AND

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

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

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

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

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

S 2. This act shall take effect on the one hundred eightieth day after it shall have become a law; provided, however, that effective immediately, the superintendent of insurance is authorized and directed to promulgate all rules, regulations and standards necessary for the implementation of this act on or before such effective date, including, but not limited to, determining procedures for submission to and payment of claims by insurers and for determining the extent of a bedbug infestation.