

9047--A

I N A S S E M B L Y

March 11, 2014

Introduced by M. of A. CRESPO -- read once and referred 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 reduction in rates of property/casualty insurance rates on residential property for insureds who complete an approved homeowner natural disaster preparedness course

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "homeowner natural disaster preparedness program".

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

11 S 3. The section heading of section 2346 of the insurance law, as
12 amended by chapter 637 of the laws of 1993, is amended and a new
13 subsection 5 is added to read as follows:

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

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

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

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

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

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1 DROUGHT, INFESTATION, EXPLOSION, WATER CONTAMINATION, BRIDGE FAILURE, OR
2 BRIDGE COLLAPSE.

3 (3) "HOMEOWNER NATURAL DISASTER PREPAREDNESS COURSE" MEANS A NATURAL
4 DISASTER PREPAREDNESS COURSE APPROVED BY THE SUPERINTENDENT, IN CONSUL-
5 TATION WITH THE COMMISSIONER OF THE DIVISION OF HOMELAND SECURITY AND
6 EMERGENCY SERVICES, PURSUANT TO PARAGRAPH (D) OF THIS SUBSECTION. SUCH
7 COURSE SHALL PROVIDE USEFUL INFORMATION TO PARTICIPANTS ON ITEMS INCLUD-
8 ING, BUT NOT LIMITED TO: COURSES OF ACTION THAT CAN BE TAKEN BEFORE,
9 DURING AND AFTER THE OCCURRENCE OF A NATURAL DISASTER, STRATEGIES TO
10 REDUCE RISK EXPOSURE TO INSURED RESIDENTIAL PROPERTY OWNERS AND RENTERS,
11 AND INFORMATION ABOUT THE INSTALLATION OF EQUIPMENT, DEVICES OR OTHER
12 CAPITAL IMPROVEMENTS TO REAL PROPERTY WHICH CAN HELP TO ELIMINATE OR
13 MITIGATE DAMAGE TO REAL OR PERSONAL PROPERTY, PERSONAL INJURY OR THE
14 LOSS OF LIFE CAUSED BY A NATURAL DISASTER.

15 (B) THE SUPERINTENDENT MAY PROVIDE FOR AN ACTUARIALLY APPROPRIATE
16 REDUCTION FOR A PERIOD OF THREE YEARS IN RATES OF HOMEOWNER'S INSURANCE
17 AND PROPERTY/CASUALTY INSURANCE PREMIUMS APPLICABLE TO RESIDENTIAL REAL
18 PROPERTY FOR EACH TRIENNIAL COMPLETION OF A HOMEOWNER NATURAL DISASTER
19 PREPAREDNESS COURSE BY THE INSURED OCCUPANT OF SUCH RESIDENTIAL REAL
20 PROPERTY. IN ADDITION, THE SUPERINTENDENT MAY ALSO PROVIDE FOR ACTUARI-
21 ALLY APPROPRIATE REDUCTIONS IN SUCH RATES FOR THE INSTALLATION OF EQUIP-
22 MENT, DEVICES OR OTHER CAPITAL IMPROVEMENTS TO REAL PROPERTY WHICH CAN
23 HELP TO ELIMINATE OR MITIGATE NATURAL DISASTER DAMAGE.

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

30 (D) THE SUPERINTENDENT, IN CONSULTATION WITH THE COMMISSIONER OF THE
31 DIVISION OF HOMELAND SECURITY AND EMERGENCY SERVICES, SHALL ESTABLISH,
32 BY RULE, STANDARDS AND A CURRICULUM FOR HOMEOWNER NATURAL DISASTER
33 PREPAREDNESS COURSES. EVERY SUCH COURSE SHALL BE APPROVED BY THE SUPER-
34 INTENDENT AND SUCH COMMISSIONER.

35 S 4. This act shall take effect on the first of January next succeed-
36 ing the date on which it shall have become a law; provided, however,
37 that effective immediately, any actions necessary to be taken for the
38 implementation of the provisions of this act on its effective date are
39 authorized and directed to be completed on or before such effective
40 date.