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

5034

2013-2014 Regular Sessions

I N S E N A T E

May 7, 2013

Introduced by Sen. LAVALLE -- 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 limiting the scope of an insurer's reduction of insurance coverage by limiting the volume of notices of intention to not renew or condition renewal to four percent of the total number of covered policies of such insurer's rating territory; and in relation to establishing standards for definitions contained within such law; and to repeal certain provisions of the insurance law relating thereto

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

Section 1. Subparagraph (C) of paragraph 2 of subsection (o) of section 3425 of the insurance law, as added by chapter 42 of the laws of 1996, is amended to read as follows:

(C) The superintendent shall promulgate rules and regulations to establish standards for the definition of "materially reduce its volume of policies" as used in this paragraph. Such definition shall require that a plan be filed with the superintendent if the insurer plans to reduce the net number of homeowners insurance policies as defined in subsection (a) of section twenty-three hundred fifty-one of this chapter WITHIN ANY SUCH INSURER'S RATING TERRITORY IN USE IN THIS STATE by twenty percent or more, or plans to reduce the net number of such policies it writes by five hundred, whichever is greater, within a five year period of time; provided, however, that if an insurer is not otherwise required to file a plan pursuant to this subparagraph, a plan shall be filed if the insurer plans to reduce the net number of such policies it has in force in a twelve month period WITHIN ANY SUCH INSURER'S RATING TERRITORY IN USE IN THIS STATE by four percent or more or the net number of such policies it writes by one hundred, whichever is greater.

The provisions of this subparagraph shall not apply to policies cancelled or nonrenewed by the insured or policies not renewed or

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

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cancelled pursuant to subparagraph (A), (B), (C), (D) or (E) of paragraph two of subsection (c) of this section.

S 2. Subsection (g) of section 5412 of the insurance law is REPEALED.

S 3. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.