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

6782--B

I N S E N A T E

March 10, 2014

Introduced by Sens. KLEIN, SAVINO, AVELLA -- 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 -- 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 on residential property for insureds who complete an approved homeowner natural disaster, home safety and loss prevention preparedness course

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

Section 1. Short title. This act shall be known and may be cited as the "homeowner natural disaster, home safety and loss prevention preparedness program".

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

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

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

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

(1) "COMPLETION CERTIFICATE" MEANS A DOCUMENT WHICH CANNOT BE ALTERED AND WHICH IS PROVIDED TO A PERSON WHO SUCCESSFULLY COMPLETES A HOMEOWNER NATURAL DISASTER PREPAREDNESS, HOME SAFETY AND LOSS PREVENTION COURSE.

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

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(2) "NATURAL DISASTER" MEANS THE OCCURRENCE OR IMMINENT THREAT OF WIDESPREAD OR SEVERE DAMAGE, INJURY, OR LOSS OF LIFE OR PROPERTY RESULTING FROM ANY NATURAL CAUSE INCLUDING, BUT NOT LIMITED TO, FIRE, FLOOD, EARTHQUAKE, HURRICANE, TORNADO, HIGH WATER, LANDSLIDE, MUDSLIDE, WIND, STORM, WAVE ACTION, ICE STORM, EPIDEMIC, AIR CONTAMINATION, BLIGHT, DROUGHT, INFESTATION, EXPLOSION, WATER CONTAMINATION, BRIDGE FAILURE, OR BRIDGE COLLAPSE.

(3) "HOMEOWNER NATURAL DISASTER, HOME SAFETY AND LOSS PREVENTION PREPAREDNESS COURSE" MEANS A NATURAL DISASTER PREPAREDNESS, HOME SAFETY AND LOSS PREVENTION COURSE APPROVED BY THE SUPERINTENDENT, IN CONSULTATION WITH THE COMMISSIONER OF THE DIVISION OF HOMELAND SECURITY AND EMERGENCY SERVICES, PURSUANT TO PARAGRAPH (D) OF THIS SUBSECTION. SUCH COURSE SHALL PROVIDE USEFUL INFORMATION TO PARTICIPANTS ON ITEMS INCLUDING, BUT NOT LIMITED TO: COURSES OF ACTION THAT CAN BE TAKEN BEFORE, DURING AND AFTER THE OCCURRENCE OF A NATURAL DISASTER, STRATEGIES TO REDUCE RISK EXPOSURE TO INSURED RESIDENTIAL PROPERTY OWNERS AND RENTERS, AND INFORMATION ABOUT THE INSTALLATION OF EQUIPMENT, DEVICES OR OTHER CAPITAL IMPROVEMENTS TO REAL PROPERTY WHICH CAN HELP TO ELIMINATE OR MITIGATE DAMAGE TO REAL OR PERSONAL PROPERTY, PERSONAL INJURY OR THE LOSS OF LIFE CAUSED BY A NATURAL DISASTER OR OTHER INSURABLE EVENT OR OCCURRENCE OF A FIRE, THEFT, BURGLARY, PERSONAL INJURY OR PROPERTY DAMAGE.

(B) THE SUPERINTENDENT MAY PROVIDE FOR AN ACTUARIALLY APPROPRIATE REDUCTION FOR A PERIOD OF THREE YEARS IN RATES OF HOMEOWNER'S INSURANCE AND PROPERTY/CASUALTY INSURANCE PREMIUMS APPLICABLE TO RESIDENTIAL REAL PROPERTY FOR EACH TRIENNIAL COMPLETION OF A HOMEOWNER NATURAL DISASTER PREPAREDNESS, HOME SAFETY AND LOSS PREVENTION COURSE BY THE INSURED OCCUPANT OF SUCH RESIDENTIAL REAL PROPERTY. IN ADDITION, THE SUPERINTENDENT MAY ALSO PROVIDE FOR ACTUARIALLY APPROPRIATE REDUCTIONS IN SUCH RATES FOR THE INSTALLATION OF EQUIPMENT, DEVICES OR OTHER CAPITAL IMPROVEMENTS TO REAL PROPERTY WHICH CAN HELP TO ELIMINATE OR MITIGATE NATURAL DISASTER DAMAGE, IMPROVE HOME SAFETY OR PREVENT OTHER LOSSES.

(C) AN INSURER, UPON APPROVAL OF THE SUPERINTENDENT, MAY UPON SUBMISSION OF A COMPLETION CERTIFICATE BY AN INSURED, PROVIDE AN ACTUARIALLY APPROPRIATE REDUCTION, FOR A PERIOD OF THREE YEARS, OF THE PREMIUM FOR SUCH INSURED'S HOMEOWNER'S INSURANCE OR PROPERTY/CASUALTY INSURANCE ON THE RESIDENTIAL REAL PROPERTY WHICH IS THE INSURED'S PLACE OF RESIDENCE.

(D) THE SUPERINTENDENT, IN CONSULTATION WITH THE COMMISSIONER OF THE DIVISION OF HOMELAND SECURITY AND EMERGENCY SERVICES, SHALL ESTABLISH, BY RULE, STANDARDS AND A CURRICULUM FOR HOMEOWNER NATURAL DISASTER PREPAREDNESS, HOME SAFETY AND LOSS PREVENTION COURSES. EVERY SUCH COURSE SHALL BE APPROVED BY THE SUPERINTENDENT AND SUCH COMMISSIONER.

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