

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:

1 Section 1. Subparagraph (C) of paragraph 2 of subsection (o) of
2 section 3425 of the insurance law, as added by chapter 42 of the laws of
3 1996, is amended to read as follows:
4 (C) The superintendent shall promulgate rules and regulations to
5 establish standards for the definition of "materially reduce its volume
6 of policies" as used in this paragraph. Such definition shall require
7 that a plan be filed with the superintendent if the insurer plans to
8 reduce the net number of homeowners insurance policies as defined in
9 subsection (a) of section twenty-three hundred fifty-one of this chapter
10 WITHIN ANY SUCH INSURER'S RATING TERRITORY IN USE IN THIS STATE by twen-
11 ty percent or more, or plans to reduce the net number of such policies
12 it writes by five hundred, whichever is greater, within a five year
13 period of time; provided, however, that if an insurer is not otherwise
14 required to file a plan pursuant to this subparagraph, a plan shall be
15 filed if the insurer plans to reduce the net number of such policies it
16 has in force in a twelve month period WITHIN ANY SUCH INSURER'S RATING
17 TERRITORY IN USE IN THIS STATE by four percent or more or the net number
18 of such policies it writes by one hundred, whichever is greater.
19 The provisions of this subparagraph shall not apply to policies
20 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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1 cancelled pursuant to subparagraph (A), (B), (C), (D) or (E) of para-
2 graph two of subsection (c) of this section.
3 S 2. Subsection (g) of section 5412 of the insurance law is REPEALED.
4 S 3. This act shall take effect on the first of January next succeed-
5 ing the date on which it shall have become a law.