

6782--A

I N   S E N A T E

March 10, 2014

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Introduced by Sens. KLEIN, SAVINO -- 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 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,

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

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1 STORM, WAVE ACTION, ICE STORM, EPIDEMIC, AIR CONTAMINATION, BLIGHT,  
2 DROUGHT, INFESTATION, EXPLOSION, WATER CONTAMINATION, BRIDGE FAILURE, OR  
3 BRIDGE COLLAPSE.

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

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

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

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

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