

6385

2015-2016 Regular Sessions

I N   A S S E M B L Y

March 20, 2015

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Introduced by M. of A. THIELE -- read once and referred to the Committee on Insurance

AN ACT to amend chapter 42 of the laws of 1996 amending the insurance law relating to homeowners' insurance and a temporary panel on homeowners' insurance coverage, in relation to the special advisory panel on homeowners' insurance/catastrophe coverage; and to amend chapter 136 of the laws of 2008 amending the insurance law relating to extending the effectiveness of certain stand-by powers of the New York property insurance underwriting association, in relation to the program designed to attract more competitors to the homeowners' insurance market

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

1     Section 1. Subdivision 1 of section 12 of chapter 42 of the laws of  
2     1996 amending the insurance law relating to homeowners' insurance and a  
3     temporary panel on homeowners' insurance coverage, as amended by chapter  
4     136 of the laws of 2008, is amended to read as follows:  
5     (1) The superintendent of [insurance] FINANCIAL SERVICES is hereby  
6     directed to convene a special advisory panel on homeowners'  
7     insurance/catastrophe coverage, to examine and assess the problems  
8     affecting the availability and affordability of homeowners' insurance in  
9     this state and the effect thereon created by any potential major weather  
10    catastrophe. The panel shall study and report on the following issues  
11    on or before November 30, [2009] 2016, and on [an annual] A BIENNIAL  
12    basis thereafter:  
13    (a) a review of FEDERAL LEGISLATION AND other states' activities  
14    regarding catastrophe related coverage, including but not limited to an  
15    evaluation of the experience under the California Earthquake Authority  
16    and the Florida Commission on Hurricane Loss Projection Methodology;  
17    (b) an evaluation of the effectiveness of any voluntary market assist-  
18    ance program in effect in New York WITH PARTICULAR ATTENTION DEVOTED TO  
19    MARKET DYNAMICS IN THE COASTAL HOMEOWNERS' INSURANCE MARKET;  
20    (c) an evaluation of the feasibility or experience, if any, of the New  
21    York property insurance underwriting association writing homeowners'

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

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1 insurance policies or reinsuring such policies when written in the  
2 voluntary market under certain market conditions;

3 (d) an evaluation of the feasibility of the New York property insur-  
4 ance underwriting association issuing bonds or establishing other finan-  
5 cial mechanisms for catastrophe insurance coverage; and an evaluation of  
6 the feasibility of establishing a state-wide catastrophe insurance fund;

7 (e) an evaluation of the feasibility of the New York property insur-  
8 ance underwriting association acting as a servicing carrier for policies  
9 written pursuant to parts 61 and 62 of title 44 of the Code of Federal  
10 Regulations;

11 (f) an evaluation of existing state and local building codes and the  
12 feasibility of implementing new building practices and structural  
13 improvement retrofitting, to mitigate damage from a major weather catas-  
14 trophe;

15 (g) an evaluation of insurer AND GOVERNMENTAL capacity and effective-  
16 ness in the event of a catastrophic weather occurrence, including rein-  
17 surance capacity and effectiveness, windstorm deductibles and multi-tier  
18 programs, AND OTHER RISK SHARING MECHANISMS;

19 (h) an evaluation of insurer preparedness in the recovery, rebuilding  
20 and renewal processes following weather-related losses; [and]

21 (i) an evaluation of public awareness of storm risks and programs to  
22 educate the public of storm risks and mitigation techniques[.]; AND

23 (J) AN EVALUATION OF WHETHER AND THE RATE AT WHICH INSURERS MAY BE  
24 WITHDRAWING FROM THE COASTAL HOMEOWNERS' INSURANCE MARKET, CANCELLING  
25 SUCH POLICIES OR SUBSTANTIALLY INCREASING INSURANCE PREMIUM RATES IN  
26 SUCH MARKET, AND THE REASONS FOR ANY SUCH ACTIONS. FURTHER, THE PANEL  
27 SHALL STUDY AND ASCERTAIN AN AVERAGE ESTIMATED COST OF OBTAINING COMPA-  
28 RABLE REPLACEMENT HOMEOWNER'S COVERAGE FOR THOSE INSURED WHO HAVE BEEN  
29 CANCELLED IN SUCH COASTAL AREAS. FOR THE PURPOSES OF THIS SUBDIVISION,  
30 THE TERM COASTAL HOMEOWNERS' INSURANCE MARKET SHALL MEAN THOSE AREAS  
31 THAT ARE WITHIN ONE MILE OF A SALTWATER OCEAN, SOUND, INLET OR BAY IN  
32 THE COUNTIES OF THE BRONX, KINGS, NASSAU, QUEENS, RICHMOND, SUFFOLK AND  
33 WESTCHESTER.

34 S 2. Subdivision (a) of section 23 of chapter 136 of the laws of 2008  
35 amending the insurance law relating to extending the effectiveness of  
36 certain stand-by powers of the New York property insurance underwriting  
37 association, as further amended by section 104 of part A of chapter 62  
38 of the laws of 2011, is amended to read as follows:

39 (a) The superintendent of financial services shall implement a program  
40 designed to attract more competitors to the state's homeowners' insur-  
41 ance market PARTICULARLY WITH RESPECT TO THOSE COMMUNITIES THAT ARE  
42 WITHIN ONE MILE OF A SALTWATER OCEAN, SOUND, INLET OR BAY IN THE COUN-  
43 TIES OF THE BRONX, KINGS, NASSAU, QUEENS, RICHMOND, SUFFOLK AND WEST-  
44 CHESTER. The program shall include, but shall not be limited to:

45 (1) identifying, contacting and soliciting feedback from national,  
46 regional and other insurance carriers not currently writing homeowners  
47 insurance in the state to determine their interest in selling homeowners  
48 insurance in the state;

49 (2) adopting specific measures to encourage such insurers to sell  
50 homeowners' insurance in the state; and

51 (3) documenting those issues or concerns such insurers may cite as  
52 barriers to selling homeowners insurance in the state.

53 S 3. This act shall take effect immediately.