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I N   A S S E M B L Y

January 25, 2016

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Introduced by M. of A. CRESPO, SEPULVEDA, RODRIGUEZ -- read once and referred to the Committee on Insurance

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 preparedness, home safety and loss prevention course

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

1     Section 1.   Legislative intent. The legislature declares that the  
2     purpose of this act is to clearly provide in statute for insurers to  
3     offer and for homeowners, condominium owners, cooperative apartment  
4     owners, and renters to obtain a financial incentive if they complete a  
5     course of instruction on how to make their residence more resilient to a  
6     natural disaster, reduce the potential loss of life or property damage  
7     that could result from a natural disaster, reduce the risk of fire,  
8     theft, burglary, personal injury or property damage, and raise their  
9     awareness of natural disaster preparedness by offering property/casualty  
10    insurance premium reductions.

11    S 2. 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, HOME SAFETY AND LOSS PREVENTION COURSE.

21    (2) "NATURAL DISASTER" MEANS THE OCCURRENCE OR IMMINENT THREAT OF  
22    WIDESPREAD CATASTROPHIC OR SEVERE DAMAGE, INJURY, OR LOSS OF LIFE OR  
23    PROPERTY RESULTING FROM ANY NATURAL CAUSE INCLUDING, BUT NOT LIMITED TO,  
24    FIRE, FLOOD, EARTHQUAKE, HURRICANE, TORNADO, HIGH WATER, LANDSLIDE,  
25    MUDSLIDE, WIND, STORM, WAVE ACTION, ICE STORM, EPIDEMIC, AIR CONTAM-

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

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INATION, BLIGHT, DROUGHT, INFESTATION, EXPLOSION, WATER CONTAMINATION, BRIDGE FAILURE, OR BRIDGE COLLAPSE.

(3) "HOMEOWNER NATURAL DISASTER PREPAREDNESS, HOME SAFETY AND LOSS PREVENTION COURSE" MEANS A NATURAL DISASTER PREPAREDNESS, HOME SAFETY AND LOSS PREVENTION COURSE THAT HAS BEEN SUBMITTED TO THE SUPERINTENDENT FOR APPROVAL BY AN APPLICANT, AND WHICH HAS BEEN APPROVED BY THE SUPERINTENDENT, 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.

(4) "APPLICANT" MEANS AN INSURER, OR ANY OTHER PERSON, AGENCY OR ORGANIZATION WHICH SUBMITS A PROPOSED HOMEOWNER NATURAL DISASTER PREPAREDNESS, HOME SAFETY AND LOSS PREVENTION COURSE TO THE SUPERINTENDENT FOR APPROVAL PURSUANT TO PARAGRAPH (D) OF THIS SUBSECTION, AND WHO OR WHICH IS PREPARED AND ABLE TO OFFER SUCH COURSE TO INSURED'S UPON THE APPROVAL THEREOF.

(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 MAY ESTABLISH, BY RULE OR OTHERWISE, STANDARDS OR GUIDELINES TO BE USED BY THE SUPERINTENDENT FOR APPROVAL OF THE PROPOSED HOMEOWNER NATURAL DISASTER PREPAREDNESS, HOME SAFETY AND LOSS PREVENTION COURSES. EVERY SUCH COURSE SUBMITTED BY AN APPLICANT TO THE SUPERINTENDENT FOR APPROVAL MUST BE REVIEWED AND SHALL BE SUBJECT TO APPROVAL BY THE SUPERINTENDENT.

S 3. 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.