

3340

2015-2016 Regular Sessions

I N   A S S E M B L Y

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

AN ACT to amend the insurance law, the workers' compensation law and the  
tax law, in relation to establishing environmental standards and  
protections in the insurance business, and providing incentives and  
tax credits for offering green insurance

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

1     Section 1.     Legislative findings. The legislature finds and declares  
2     that global warming poses a serious threat to the economic well-being,  
3     public health, natural resources, and environment of the state of New  
4     York. The potential adverse impacts of global warming include the  
5     exacerbation of air quality problems, a reduction in the quality and  
6     supply of water to the state, damage to marine ecosystems and the  
7     natural environment, an increase in the incidences of infectious  
8     diseases, asthma, and other human health-related problems, and an  
9     increase in the occurrence and severity of natural catastrophes. Global  
10    warming will have detrimental effects on some of the state of New York's  
11    largest industries, including the insurance industry. It will also  
12    increase the strain on energy and natural resources necessary to rebuild  
13    and restore property after losses.

14    The legislature finds that by increasing incentives for the use of  
15    low-emission vehicles, reduced driving, the building of "green build-  
16    ings," investments in renewable energy projects, and the conservation of  
17    natural resources, the insurance industry can help reduce greenhouse gas  
18    emissions. National and international actions are necessary to fully  
19    address the issue of global warming. However, actions taken by the state  
20    of New York to reduce emissions of greenhouse gases will have far-reach-  
21    ing effects by encouraging other states, the federal government, and  
22    other countries to act.

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

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1 It is the intent of the legislature that the superintendent of finan-  
2 cial services coordinate with state agencies, as well as consult with  
3 the environmental justice community, industry sectors, business groups,  
4 academic institutions, environmental organizations, and other stakehold-  
5 ers in implementing this act.

6 It is the intent of the legislature that the superintendent of finan-  
7 cial services consult with the public service commission and the depart-  
8 ment of environmental conservation in the development of emissions stan-  
9 dards for low-emission vehicles for insurance rating purposes, and in  
10 the development of green building standards for insurance rating  
11 purposes in a manner that minimizes costs and maximizes benefits for the  
12 state of New York's economy, improves and modernizes the state of New  
13 York's energy infrastructure and maintains electric system reliability,  
14 maximizes additional environmental and economic cobenefits for the state  
15 of New York, and complements the state's efforts to protect the natural  
16 environment and reduce global warming.

17 It is also the intent of the legislature to provide an incentive in  
18 the form of New York state tax credits to attract much needed additional  
19 private capital investments. It is the expectation of the legislature  
20 that these new investment dollars shall be used for the direct benefit  
21 of the natural environment and renewable energy sources in the state of  
22 New York.

23 S 2. The insurance law is amended by adding two new sections 2353 and  
24 2354 to read as follows:

25 S 2353. GREEN INSURANCE REGULATIONS. (A) AN INSURANCE COMPANY ORGAN-  
26 IZED AND LICENSED TO SELL AUTOMOBILE INSURANCE SHALL NOTIFY THE SUPER-  
27 INTENDENT BY ELECTRONIC TRANSMISSION, INDICATING WHETHER OR NOT SUCH  
28 INSURANCE COMPANY OFFERS A PREMIUM REDUCTION FOR LOW-EMISSION AUTOMO-  
29 BILES. IF SUCH PREMIUM REDUCTIONS ARE OFFERED, THE INSURANCE COMPANY  
30 SHALL TRANSMIT TO THE SUPERINTENDENT THE COST AND THE CLAIMS OF THOSE  
31 LOW-EMISSION AUTOMOBILES COMPARED TO HIGH-EMISSION VEHICLES.

32 (1) THE SUPERINTENDENT SHALL CONDUCT PUBLIC HEARINGS IN ORDER TO  
33 COMPARE AND CONTRAST THE RISK, THE COST, AND THE CLAIMS EXPERIENCE  
34 BETWEEN LOW-EMISSION AND HIGH-EMISSION AUTOMOBILES. THE SUPERINTENDENT  
35 SHALL ALSO ADDRESS ANY QUESTIONS OR CONCERNS POSED BY THE PUBLIC REGARD-  
36 ING ANY INFORMATION DISCUSSED AT SUCH HEARING.

37 (2) THE SUPERINTENDENT MAY DEVELOP ANY INSTRUCTIONS, PROCEDURES OR  
38 STANDARDS FOR THE APPLICATION OF THE PROVISIONS IN THIS SUBSECTION.

39 (3) THE SUPERINTENDENT IS AUTHORIZED TO PROMULGATE RULES AND REGU-  
40 LATIONS NECESSARY TO IMPLEMENT THE PROVISIONS IN THIS SUBSECTION.

41 (B) AN INSURANCE COMPANY ORGANIZED AND LICENSED TO SELL PROPERTY  
42 INSURANCE SHALL OFFER "GREEN REPLACEMENT COVERAGE" WHICH ALLOWS AN  
43 INSURED, AFTER A LOSS, TO REPLACE CONVENTIONAL BUILDING MATERIALS WITH  
44 SPECIFIED GREEN ALTERNATIVE MATERIALS SUCH AS NON-TOXIC PAINTS AND  
45 CARPETING, ENERGY-EFFICIENT LIGHTING SYSTEMS AND WATER-EFFICIENT INTERI-  
46 OR PLUMBING.

47 (1) SUCH INSURANCE COMPANY SHALL OFFER COVERAGE FOR SOLAR AND WIND  
48 DISTRIBUTED GENERATION, AS PART OF, OR IN ADDITION TO, A RESIDENTIAL  
49 PROPERTY INSURANCE POLICY.

50 (2) SUCH INSURANCE COMPANY SHALL NOTIFY THE SUPERINTENDENT BY ELEC-  
51 TRONIC TRANSMISSION, INDICATING WHETHER OR NOT IT OFFERS A PREMIUM  
52 REDUCTION FOR GREEN UPGRADES OR COVERAGE. IF SUCH PREMIUM REDUCTIONS ARE  
53 OFFERED, THE INSURANCE COMPANY SHALL TRANSMIT TO THE SUPERINTENDENT THE  
54 COST AND THE CLAIMS OF THOSE POLICIES COMPARED TO CONVENTIONAL POLICIES.

55 (3) THE SUPERINTENDENT SHALL CONDUCT PUBLIC HEARINGS IN ORDER TO  
56 COMPARE AND CONTRAST THE RISK, THE COST, AND THE CLAIMS EXPERIENCE ASSO-

CIATED WITH GREEN BUILDINGS AND BUILDINGS WITH SOLAR AND WIND GENERATION, AND TO DISCUSS THE DEVELOPMENT OF INSURANCE PRODUCTS AND DERIVATIVES TO SUPPORT THOSE PROJECTS. THE SUPERINTENDENT SHALL ALSO ADDRESS ANY QUESTIONS OR CONCERNS POSED BY THE PUBLIC REGARDING ANY INFORMATION DISCUSSED AT SUCH HEARING.

(4) THE SUPERINTENDENT MAY DEVELOP ANY INSTRUCTIONS, PROCEDURES OR STANDARDS FOR THE APPLICATION OF THE PROVISIONS IN THIS SUBSECTION.

(5) THE SUPERINTENDENT IS AUTHORIZED TO PROMULGATE RULES AND REGULATIONS NECESSARY TO IMPLEMENT THE PROVISIONS IN THIS SUBSECTION.

S 2354. GREEN INSURANCE INDUSTRY MITIGATION REGULATIONS. (A) A COMPANY ORGANIZED AND LICENSED TO SELL INSURANCE IN THIS STATE SHALL NOTIFY THE SUPERINTENDENT BY ELECTRONIC TRANSMISSION, INDICATING WHETHER OR NOT SUCH COMPANY ELECTRONICALLY SUBMITS DOCUMENTS TO ITS INSURED, AND ANY COST SAVINGS ASSOCIATED WITH SUCH PRACTICE.

(B) THE SUPERINTENDENT SHALL CONDUCT PUBLIC HEARINGS TO DISSEMINATE INFORMATION REGARDING THE NATURE AND MAGNITUDE OF DAMAGE AND RISK FROM NATURAL DISASTERS TRIGGERED BY CLIMATE CHANGE.

(C) THE SUPERINTENDENT SHALL CONDUCT PUBLIC HEARINGS TO ASSESS THE INDUSTRY'S CONSUMPTION OF PAPER AND ELECTRICITY, AND TO DEVELOP INDUSTRY-WIDE MITIGATION MEASURES.

(D) THE SUPERINTENDENT MAY DEVELOP ANY INSTRUCTIONS, PROCEDURES OR STANDARDS FOR THE APPLICATION OF THE PROVISIONS IN THIS SECTION.

(E) THE SUPERINTENDENT IS AUTHORIZED TO PROMULGATE RULES AND REGULATIONS NECESSARY TO IMPLEMENT THE PROVISIONS IN THIS SECTION.

S 3. The workers' compensation law is amended by adding a new section 134-a to read as follows:

S 134-A. GREEN WORKERS' COMPENSATION INSURANCE PROVISIONS. THE SUPERINTENDENT OF FINANCIAL SERVICES, IN CONJUNCTION WITH THE COMMISSIONER OF LABOR, SHALL CONDUCT PUBLIC HEARINGS IN ORDER TO DISCUSS THE HEALTH IMPACT ON WORKERS WHO WORK IN GREEN BUILDINGS, INCLUDING BUT NOT LIMITED TO, ABSENTEE WORKER RATES. SUCH INFORMATION SHALL BE USED FOR ESTABLISHING THE APPROPRIATE WORKERS' COMPENSATION CLAIMS COST BENCHMARK.

S 4. Section 606 of the tax law is amended by adding a new subsection (g-3) to read as follows:

(G-3) GREEN INSURANCE TAX CREDIT. (1) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, AN INDIVIDUAL TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO TWENTY PERCENT OF QUALIFIED INVESTMENTS MADE BY SUCH TAXPAYER DURING THE TAXABLE YEAR INTO AN ENVIRONMENTAL FINANCIAL INSTITUTION THAT IS CERTIFIED BY THE INSURANCE DEPARTMENT.

(2) NO CREDIT SHALL BE ALLOWED UNDER THIS SUBSECTION UNLESS THE DEPARTMENT CERTIFIES THAT THE INVESTMENT QUALIFIES FOR SUCH CREDIT.

(3) NO CREDIT SHALL BE ALLOWED UNDER THIS SUBSECTION UNLESS THE TAXPAYER AND THE ENVIRONMENTAL FINANCIAL INSTITUTION THAT SUCH TAXPAYER INVESTED IN, PROVIDE THE DEPARTMENT WITH SATISFACTORY SUBSTANTIATION OF A QUALIFIED INVESTMENT IN THE FORM AND MANNER REQUESTED BY THE DEPARTMENT.

(4) AN ENVIRONMENTAL FINANCIAL INSTITUTION SHALL:

(A) APPLY TO THE DEPARTMENT OF FINANCIAL SERVICES FOR CERTIFICATION OF ITS STATUS AS AN ENVIRONMENTAL FINANCIAL INSTITUTION;

(B) APPLY TO THE DEPARTMENT, ON BEHALF OF THE TAXPAYER, FOR CERTIFICATION OF THE AMOUNT OF THE INVESTMENT, OBTAIN THE CERTIFICATION, AND RETAIN A COPY OF THE CERTIFICATION; AND

(C) OBTAIN THE TAXPAYER'S COMPANY IDENTIFICATION NUMBER FOR TAX ADMINISTRATION PURPOSES AND PROVIDE SUCH INFORMATION TO THE DEPARTMENT OF

1 FINANCIAL SERVICES, WITH THE APPLICATION DESCRIBED IN SUBPARAGRAPH (B)  
2 OF THIS PARAGRAPH.

3 (5) THE SUPERINTENDENT OF FINANCIAL SERVICES MAY DEVELOP ANY  
4 INSTRUCTIONS, PROCEDURES OR STANDARDS FOR THE APPLICATION OF THE  
5 PROVISIONS IN THIS SUBSECTION.

6 (6) THE SUPERINTENDENT OF FINANCIAL SERVICES IS AUTHORIZED TO PROMUL-  
7 GATE RULES AND REGULATIONS NECESSARY TO IMPLEMENT THE PROVISIONS IN THIS  
8 SUBSECTION.

9 (7) IF THE AMOUNT OF THE CREDIT, AND CARRYOVERS OF SUCH CREDIT, ALLOW-  
10 ABLE UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAY-  
11 ER'S TAX FOR SUCH YEAR, SUCH EXCESS AMOUNT MAY BE CARRIED OVER TO THE  
12 FIVE TAXABLE YEARS NEXT FOLLOWING THE TAXABLE YEAR WITH RESPECT TO WHICH  
13 THE CREDIT IS ALLOWED AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR  
14 SUCH YEAR OR YEARS.

15 S 5. This act shall take effect immediately.