

STATE OF NEW YORK

8552

2017-2018 Regular Sessions

IN ASSEMBLY

July 10, 2017

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

AN ACT to amend the insurance law, in relation to creating a homeowners' bill of rights and a consumer guide on insuring against catastrophic loss caused by natural disasters

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The insurance law is amended by adding a new section 3444-a
2 to read as follows:

3 § 3444-a. Homeowners' bill of rights. (a) Any insurer that writes
4 personal lines insurance or commercial lines insurance policies that
5 cover loss of or damage to real property, personal property, or other
6 liabilities for loss of or damage to property shall, upon issuance and
7 renewal of any such policy or contract, provide to an insured or poten-
8 tial insured written detailed disclosure in a notice prescribed or
9 approved by the superintendent describing clearly and in plain language
10 the following:

11 (1) any and all coverage for loss caused by certain occurrences,
12 including but not limited to fire, wind, windstorm, mudslide, hurricane,
13 snow, ice, water surge, or flood, coverages provided under the policy,
14 any limitations on or exclusions from coverage, circumstances that would
15 invalidate coverage under the policy, any applicable deductibles, and
16 when such deductibles shall be triggered;

17 (2) all information related to claims investigation and processing,
18 including but not limited to the process by which the insured may file a
19 claim, all applicable time frames required by law and regulation, all
20 necessary proof of loss information and other information the insurer
21 may require from the insured, the process by which the insured may file
22 a complaint with the department, and any other information deemed neces-
23 sary by the superintendent;

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

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1 (3) any and all rights a claimant has under the laws and policy when a
2 claim is denied or when the claimant rejects a settlement offer from the
3 insurer, including their right to file a complaint with the department;

4 (4) that the provisions of this policy may be modified or changed
5 pursuant to state or federal law when a local state of emergency is
6 declared pursuant to section twenty-four of the executive law, when the
7 governor declares a disaster emergency pursuant to section twenty-eight
8 of the executive law, or when the President of the United States issues
9 a major disaster or emergency declaration pursuant to the Robert T.
10 Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288) and
11 how the insured may obtain information about any such modifications or
12 changes;

13 (5) information on how the insured may contact the insurer, including
14 the insurer's business hours, mailing address, phone number, fax number,
15 website address and email; and

16 (6) information on how the insured can obtain the consumer guide on
17 insuring against catastrophic losses created by the department pursuant
18 to section three hundred thirty-eight of this chapter and any other
19 guides, pamphlets, or other information the department has made publicly
20 available that would be beneficial to the insured.

21 (b) In the event that a policy subject to subsection (a) of this
22 section does not include coverage for damage as a result of weather
23 conditions, natural disasters, or other occurrences, including but not
24 limited to fire, wind, windstorm, mudslide, hurricane, snow, ice, water
25 surge, or flood, the insurer or producer shall, upon issuance and
26 renewal of any such policy or contract, provide to an insured or poten-
27 tial insured information on any additional coverage options, including
28 additional policies and riders, the New York Property Insurance Under-
29 writing Association, the Coastal Market Assistance Program, the National
30 Flood Insurance Program, and any other options authorized by state or
31 federal law.

32 § 2. Paragraphs 6 and 7 of subsection (a) of section 2601 of the
33 insurance law, paragraph 6 as amended and paragraph 7 as added by
34 section 27 of part H of chapter 60 of the laws of 2014, are amended and
35 a new paragraph 8 is added to read as follows:

36 (6) failing to promptly disclose coverage pursuant to subsection (d)
37 or subparagraph (A) of paragraph two of subsection (f) of section three
38 thousand four hundred twenty of this chapter; ~~or~~

39 (7) submitting reasonably rendered claims to the independent dispute
40 resolution process established under article six of the financial
41 services law~~[-]~~; or

42 (8) knowingly misrepresenting or failing to provide pertinent facts of
43 policy provisions to claimants as required by section three thousand
44 four hundred forty-four-a of this chapter and not complying with such
45 policy provisions, including established time frames for investigation,
46 claims processing and settlement, and payment of claims.

47 § 3. The insurance law is amended by adding a new section 338 to read
48 as follows:

49 § 338. Consumer guide on insuring against catastrophic losses. (a) Six
50 months after the effective date of this section, the superintendent
51 shall issue and update, as necessary, a consumer guide on insuring
52 against catastrophic losses that shall contain comprehensive information
53 written in plain language in a clear and understandable format, includ-
54 ing the following:

55 (1) the ways in which different types of weather conditions, natural
56 disasters, or other occurrences can cause catastrophic losses, including

1 but not limited to damage from fire, wind, windstorm, mudslide, hurri-
2 cane, snow, ice, extreme cold, water surge, and flood;

3 (2) the types of insurance available that provide coverage against
4 catastrophic losses for both homeowners and businesses, a listing of
5 companies that provide such coverage, and recommendations as to how best
6 to shop for and compare prices, service and quality of insurance cover-
7 age;

8 (3) a list of the exclusions typically found in such coverage and
9 information on how a consumer may obtain coverage for such exclusions,
10 including a listing of companies that provide such coverage and an
11 explanation of, information on, and the types of coverage available from
12 the New York Property Insurance Underwriters Association, the Coastal
13 Market Assistance Program, and the National Flood Insurance Program, and
14 other options authorized by state or federal law;

15 (4) steps a consumer can take to prepare for a natural disaster or
16 other catastrophic loss;

17 (5) steps a consumer can take following a catastrophic loss in order
18 to facilitate the timely processing of the consumer's insurance claim
19 and an explanation of policyholders' rights as provided in law and regu-
20 lation; and

21 (6) a department toll free consumer hot-line and website address
22 through which consumers may initiate complaints, and request general
23 information about insurance.

24 (b) The requirements set forth in subsection (a) of this section may
25 be satisfied by separate or supplemental publications and updates.

26 (c) The superintendent shall post the consumer guide on insuring
27 against catastrophic losses on the department's website.

28 § 4. This act shall take effect immediately.