STATE OF NEW YORK

3835

2017-2018 Regular Sessions

IN ASSEMBLY

January 30, 2017

Introduced by M. of A. COLTON, PALMESANO, PERRY, BARRON, COOK, ROSENTHAL, HARRIS -- Multi-Sponsored by -- M. of A. FARRELL, SALADINO -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to establishing residential home safety and loss prevention courses and providing for an associated reduction in certain insurance premiums and providing for the repeal of such provisions upon expiration thereof

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

Section 1. Section 2346 of the insurance law is amended by adding a new subsection 6 to read as follows:

6. The superintendent shall provide for an actuarially appropriate reduction in the rates of fire insurance premiums or homeowners insurance premiums applicable to residential real property for any insured for a three year period after successfully completing a residential home safety and loss prevention course certified pursuant to section two thousand three hundred forty-six-b of this article.

§ 2. The insurance law is amended by adding a new section 2346-b to read as follows:

§ 2346-b. Certification of residential home safety and loss prevention courses. (a) The department, in consultation with the office of fire prevention and control of the division of homeland security and emergency services and any additional state entity it deems appropriate, shall certify all residential home safety and loss prevention courses that are authorized to offer classes through which the insured shall be eligible to receive an insurance premium reduction pursuant to subsection six of section two thousand three hundred forty-six of this article.

(b) For the purposes of this section:

(1) "residential home safety and loss prevention course" or "course" shall mean an instructional program that presents information and methods that can help an insured to significantly prevent or minimize

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

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personal injuries and property losses in residential real property due to the occurrence of fire, theft, burglary, accidents and weather related events, including, but not limited to, how to mitigate property damage from hurricanes, ice storms, tornadoes and other natural disasters; and

(2) "course sponsor" shall mean any individual, company or organization that has developed or owns a residential home safety and loss prevention course and all agents of such sponsor including independent contractors that conduct classes for such sponsor and class instructors.

(c) The department shall promulgate such rules and regulations as are necessary to implement the provisions of this section. Such rules shall, at a minimum, provide for:

(1) course sponsor application procedures that an applicant shall follow to obtain course certification approval;

(2) curriculum standards that the course sponsors and instructors shall utilize, based upon submissions from any course sponsor as defined in paragraph two of subsection (b) of this section, including teaching methods and time requirements which shall be in excess of three hours;

(3) standards, based upon submissions from any course sponsor as defined in paragraph two of subsection (b) of this section, that course sponsors shall satisfy to ensure that class instructors are adequately trained;

(4) a demonstration by the course sponsor that successfully completing such course will significantly reduce fire, theft, liability and weather related losses in the residence;

(5) standards, based upon submissions from any course sponsor as defined in paragraph two of subsection (b) of this section, to ensure that individuals that complete such course shall receive certificates that can be submitted to an insurer to demonstrate successful completion of the class. Such certificates of completion shall be tamper proof and designed so that they can not be fraudulently reproduced or forged by an unauthorized issuer; and

(6) procedures for on-going surveillance of course presentation and administration to ensure that the insurance premium reduction awarded is, and continues to be, proportionally related to the actuarially calculable decrease in losses attributable to the course.

(d) The department is authorized to suspend or revoke the certificate of approval of any course sponsor if the department determines that such sponsor has violated the provisions of this section or has misrepresented information on the initial application or in periodic reports submitted to the department.

(e) The department may increase or decrease the insurance premium discount awarded to such course if it is found that such discount is not actuarially appropriate.

§ 3. Not less than 180 days before the expiration of the provision of this act, the superintendent of financial services shall issue a report to the governor, temporary president of the senate, speaker of the assembly, and the chairs of the committees on insurance of the senate and assembly stating his or her findings on the effect of residential home safety and loss prevention courses in reducing homeowners insurance claims.

§ 4. This act shall take effect on the one hundred eightieth day after it shall have become a law and shall expire and be deemed repealed 5 years after such effective date; provided, however, any rules or regulations necessary for the timely implementation of the provisions of this act shall be promulgated on or before such date.