

# STATE OF NEW YORK

5201

2023-2024 Regular Sessions

## IN SENATE

February 27, 2023

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to standards for prompt investigation and settlement of claims arising from states of emergency

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 2618  
2 to read as follows:

3 § 2618. Standards for prompt investigation and settlement of claims.

4 (a) This section shall apply to every insurer who writes policies that  
5 cover loss of or damage to real property, personal property or other  
6 liabilities for loss of, damage to, or injury to persons or property  
7 when a local state of emergency is declared pursuant to section twenty-  
8 four of the executive law, when the governor declares a disaster emer-  
9 gency pursuant to section twenty-eight of the executive law, or when the  
10 President issues a major disaster or emergency declaration pursuant to  
11 the Robert T. Stafford Disaster Relief and Emergency Assistance Act  
12 (P.L. 93-288), for claims arising from such emergency.

13 (1) An insurer shall acknowledge the receipt of all claims in writing  
14 to the claimant or the claimant's authorized representative in accord-  
15 ance with regulations promulgated by the superintendent;

16 (2) If the insurer wishes its investigation to include an inspection  
17 of damaged or destroyed property, the inspection, whether performed by  
18 the insurer, an independent adjuster, or other representative of the  
19 insurer, shall occur in accordance with regulations promulgated by the  
20 superintendent. Furthermore, where necessary to protect the health and  
21 safety of the claimant, immediate repairs to windows, exterior walls,  
22 exterior doors, roofs, heating systems, water systems and electrical  
23 systems may be made and alternative proof of loss such as photographs,

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

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1 video recordings, inventories and all receipts for repairs or replace-  
2 ment property shall satisfy policy requirements;

3 (3) A claim filed with an agent of an insurer shall be deemed to have  
4 been filed with the insurer unless, consistent with law or contract, the  
5 agent notifies the person filing the claim that the agent is not author-  
6 ized to receive notices of claim; and

7 (4) An insurer shall furnish to such claimant, or claimant's author-  
8 ized representative, a notification of all items, statements and forms,  
9 if any, which the insurer reasonably believes will be required of the  
10 claimant in order to investigate such claim in accordance with regu-  
11 lations promulgated by the superintendent.

12 (b)(1) An insurer shall, within fifteen business days of receipt of  
13 all items, statements and forms requested under this section from the  
14 claimant, or the claimant's authorized representative, advise the claim-  
15 ant in writing whether the insurer has accepted or rejected the claim.

16 (2) An insurer shall be granted a one-time extension of fifteen busi-  
17 ness days to determine whether a claim should be accepted or rejected.  
18 If the insurer elects to utilize this extension, it shall so notify the  
19 claimant, or the claimant's authorized representative, in writing. Such  
20 notification shall include the reasons additional time is needed for the  
21 investigation.

22 (3) Once the claim is accepted by the insurer, the insurer shall  
23 advise the claimant, or the claimant's authorized representative, in  
24 writing of the amount the insurer is offering to settle the claim. The  
25 insurer shall also provide to the claimant, or the claimant's authorized  
26 representative, in writing, of all applicable policy provisions regard-  
27 ing the claimant's right to reject and appeal the offer.

28 (4) In any case where the claim is rejected by the insurer, the insur-  
29 er shall notify the claimant, or the claimant's authorized represen-  
30 tative, in writing, of all applicable policy provisions regarding the  
31 claimant's right to appeal the decision.

32 (c) An insurer shall pay the claim not later than three business days  
33 from the settlement of the claim.

34 (d) The superintendent may promulgate any rules or regulations neces-  
35 sary to implement the provisions of this section.

36 § 2. This act shall take effect immediately.