STATE OF NEW YORK

5538

2023-2024 Regular Sessions

IN SENATE

March 7, 2023

Introduced by Sen. COMRIE -- 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 deductibles for physical damage insurance

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

Section 1. Subsection (k) of section 3411 of the insurance law is amended to read as follows:

(k) **(1)** Each insurer which offers physical damage insurance subject to the provisions of this section shall offer such insurance with a standard deductible of two hundred dollars for each occurrence. The insured shall, however, at the inception of the policy or at the annual anniversary date, or at the time of the replacement or addition of an automobile, have the option of purchasing a policy with a lesser deductible, but in no event may the insurer sell a policy with a deductible of less than fifty dollars for fire, theft or comprehensive insurance coverages (one hundred dollars for assigned risk policies issued pursuant to paragraph two of subsection (a) of section five thousand three hundred three of this chapter) and one hundred dollars for collision insurance coverage except that window glass coverage may be sold without a deductible. Each insurer which offers physical damage insurance subject to the provisions of this section shall also offer physical damage coverages with co-insurance or deductible provisions or combinations thereof as the superintendent may prescribe, including but not limited to deductibles of two hundred fifty dollars, five hundred dollars and one thousand dollars.

(2) Notwithstanding the dollar limits for deductibles in paragraph one of this subsection, an insurer which offers physical damage insurance subject to the provisions of this section may offer a reduced dollar deductible, a zero dollar deductible or a deductible that diminishes over time and may ultimately be reduced to zero dollars.

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

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(3) An insurer who offers a reduced dollar deductible, a zero dollar deductible or a deductible that diminishes over time shall disclose to the insured or potential insured at the time such a deductible is offered or a policy that has such a deductible is renewed how such a deductible would interact with the other provisions of the insured's policy, any additional cost to the insured for having such a deductible, the circumstances under which the deductible may be reduced or diminished, if and under what circumstances the deductible may be increased, and the effect that the deductible may have upon the insured's premium.

(4) Under no circumstances shall an insurer penalize an insured who has a reduced dollar deductible, a zero dollar deductible or a deductible that diminishes over time by increasing both the insured's premium and deductible in response to the same claim or incident. This paragraph shall not be construed to prohibit an insurer from increasing either the insured's premium or deductible in response to the same claim or incident.

§ 2. This act shall take effect immediately.