

STATE OF NEW YORK

4184

2023-2024 Regular Sessions

IN SENATE

February 6, 2023

Introduced by Sen. LANZA -- 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 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 7 and 8 of subsection (a) of section 2601 of the
33 insurance law, paragraph 7 as amended and paragraph 8 as added by chap-
34 ter 458 of the laws of 2018, are amended and a new paragraph 9 is added
35 to read as follows:

36 (7) submitting reasonably rendered claims to the independent dispute
37 resolution process established under article six of the financial
38 services law; ~~or~~

39 (8) artificially deflating or otherwise lowering cost data used for
40 adjusted claims, or using cost data that is not appropriate for the
41 region of the state where the loss occurred; this shall include but is
42 not limited to claims adjusted by a person issued a temporary permit
43 pursuant to subsection (n) of section two thousand one hundred eight of
44 this chapter~~[-]~~; or

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

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

52 § 338. Consumer guide on insuring against catastrophic losses. (a) Six
53 months after the effective date of this section, the superintendent
54 shall issue and update, as necessary, a consumer guide on insuring
55 against catastrophic losses that shall contain comprehensive information

1 written in plain language in a clear and understandable format, includ-
2 ing the following:

3 (1) the ways in which different types of weather conditions, natural
4 disasters, or other occurrences can cause catastrophic losses, including
5 but not limited to damage from fire, wind, windstorm, mudslide, hurri-
6 cane, snow, ice, extreme cold, water surge, and flood;

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

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

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

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

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

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

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

32 § 4. This act shall take effect immediately.