

STATE OF NEW YORK

10524--A

IN ASSEMBLY

March 6, 2026

Introduced by M. of A. LUNSFORD, STECK, GLICK -- read once and referred to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to motor vehicle insurance fairness; and to repeal section 2331 of the insurance law relating to motor vehicle insurance rates based on age, sex or marital status

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

1 Section 1. Section 2331 of the insurance law is REPEALED and a new
2 section 2331 is added to read as follows:

3 § 2331. Motor vehicle insurance fairness. (a) Definition. For purposes
4 of this section, the term "proceeding" shall mean the filing of any
5 rate, rating plan, rating rule or rating manual and any rulemaking
6 conducted pursuant to this section.

7 (b) Prohibitions; refusal to insure. (1) No insurer shall refuse to
8 issue or renew a policy or contract of motor vehicle insurance based in
9 whole or in part on any of the prohibited underwriting and rating
10 factors set forth in subsection (c) of this section, or use such factors
11 to determine the terms of coverage or placement in a particular affil-
12 iate within an insurance company group.

13 (2) Any schedule of rates, rating plan, rating rule, rating manual or
14 any other method of establishing the premium to be paid by a motor vehi-
15 cle insurance policyholder or covered driver, and the modification ther-
16 eof, based in whole or in part on any of the prohibited underwriting and
17 rating factors set forth in subsection (c) of this section shall be
18 deemed unfairly discriminatory.

19 (c) Prohibited factors. No filing of a rate, rating plan, rating rule
20 or rate manual applicable to motor vehicle insurance shall be approved
21 by the superintendent if the filing is based, in whole or in part, on
22 the following factors:

23 (1) any criteria protected under section two hundred ninety-six of the
24 executive law;

25 (2) age, except as provided for under subsection (d) of this section;

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

LBD14984-03-6

1 (3) employment or occupation, except as it pertains to whether a vehi-
2 cle is being used for a business purpose and the nature of such use;

3 (4) education level attained;

4 (5) home ownership or property value;

5 (6) consumer credit information or any other credit-based score;

6 (7) the absence of prior insurance;

7 (8) the amount or provider of prior insurance coverage;

8 (9) any measure of a consumer's price elasticity of demand;

9 (10) the zip code, or any territorial designation geographically smal-
10 ler than a zip code, in which the policyholder resides, except as it
11 pertains to the rate of auto-related crimes, such as theft and vandal-
12 ism, or accident rates in such zip code or territorial designation;

13 (11) any data related to a consumer used to justify a rate increase
14 where such data is more than two years old; or

15 (12) the level of income or wealth.

16 (d) Years of driving experience. Notwithstanding paragraph two of
17 subsection (c) of this section, an insurer may consider the number of
18 years of driving experience of an applicant for the purposes of under-
19 writing and rating.

20 (e) Territory or any other geographical characteristic. Territory or
21 any other geographical characteristic shall not be considered for the
22 purposes of underwriting a policy or contract of motor vehicle insur-
23 ance, including, but not limited to, any decision to sell, refuse to
24 sell, cancel, or non-renew. Notwithstanding paragraph ten of subsection
25 (c) of this section, an insurer may, for rating purposes, use a territo-
26 rial factor that is not otherwise prohibited under this section if the
27 territorial factor does not have more than a ten percent impact on the
28 premium that would otherwise be charged.

29 (f) Prohibited business practices. Every insurer issuing or delivering
30 a policy or contract of motor vehicle insurance in the state of New York
31 shall demonstrate that its marketing, underwriting, rating, claims
32 handling, fraud investigations, and any algorithm or model used for
33 those such business practices do not disparately impact any group of
34 customers based on race, color, national or ethnic origin, religion,
35 sex, sexual orientation, disability, gender identity, or gender
36 expression.

37 (g) Prior approval of rates. (1) No rate shall be approved by the
38 superintendent or remain in effect that is excessive, inadequate,
39 unfairly discriminatory, or otherwise in violation of this section. In
40 considering whether a rate is excessive, inadequate, or unfairly discri-
41 minatory, no consideration shall be given to the degree of competition,
42 and the superintendent shall consider whether such rate mathematically
43 reflects the insurance company's investment income.

44 (2) Every insurer issuing or delivering a policy or contract of motor
45 vehicle insurance that desires to change any rate shall file a complete
46 rate application with the superintendent. A complete rate application
47 shall include all data necessary to justify the proposed rate and such
48 other information as the superintendent may require. The applicant shall
49 have the burden of proving that the requested rate change is justified
50 and meets the requirements of this section.

51 (3) The superintendent shall notify the public of any application by
52 an insurer for a rate change. The application shall be deemed approved
53 sixty days after such public notice unless:

54 (i) the superintendent disapproves of the application;

55 (ii) a consumer or such consumer's representative requests a hearing
56 within forty-five days after such public notice and the superintendent

1 grants the hearing, or the superintendent determines not to grant the
2 hearing and issues written findings in support of such decision; or
3 (iii) the superintendent, on the superintendent's own motion, deter-
4 mines to hold a hearing. If the proposed rate adjustment exceeds five
5 percent of the then-applicable rate for personal motor vehicle insurance
6 or ten percent for commercial motor vehicle insurance, then the super-
7 intendent shall hold a hearing upon a timely request. If the application
8 is incomplete or otherwise subject to disapproval, then the superinten-
9 dent may extend the application review process by up to sixty days with
10 the agreement of the applicant.

11 (h) Right of the public to inspect rates. All information provided to
12 the superintendent pursuant to this section shall be available for
13 public inspection on the department's website, without the need to pay
14 for access or login credentials. The department shall establish on
15 their website a centralized online database to allow members of the
16 public to access and view any rate increase applications submitted by
17 insurers. Such database shall include, but not be limited to, the abili-
18 ty to search for specific insurance company rate applications, the abil-
19 ity to view public comments, and an option for individuals to submit
20 their own feedback.

21 (i) Right of the public to request permission to intervene. Any
22 person may request permission from the superintendent to intervene in
23 any proceeding permitted or established pursuant to this section. The
24 superintendent shall grant such permission if such intervention is like-
25 ly to contribute to the development of a complete record or is otherwise
26 fair and in the public interest.

27 (j) Rules. (1) The department shall, no later than ninety days from
28 the date this section takes effect, adopt rules and regulations that
29 guide the filing and approval of rates, rules, and forms pursuant to
30 this section. The superintendent shall develop formulas for evaluating
31 rates and any rules or forms that impact rates that will be used to
32 determine whether to approve or disapprove any filing.

33 (2) Until the rules and regulations described in paragraph one of this
34 subsection are implemented, no insurer may file for a change in any
35 rate, rule, or form that would result in a rate increase. If, before the
36 adoption of the rules and regulations described in paragraph one of this
37 subsection, an insurer asserts that it would not be able to earn a
38 reasonable rate of return without an increase, then such insurer may
39 request a hearing. If it is determined after a hearing that a rate
40 increase is needed to earn a reasonable rate of return, then the insurer
41 shall be allowed to make a change that affords it the minimum increase
42 required to earn a reasonable rate of return.

43 (3) The department shall, no later than one hundred eighty days from
44 the effective date of this section, adopt rules and regulations that
45 implement the testing of insurer business practices for compliance with
46 this section.

47 (k) Fees. All insurers of motor vehicle insurance subject to the
48 provisions of this section shall be assessed a fee of five hundredths of
49 one percent of their total earned premiums from the prior calendar year.
50 Such fee shall be payable to the department no later than July first of
51 each calendar year and shall be used by the department to implement the
52 provisions of this section.

53 § 2. This act shall take effect on the ninetieth day after it shall
54 have become a law.