

STATE OF NEW YORK

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2025-2026 Regular Sessions

IN ASSEMBLY

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Introduced by M. of A. TORRES, FORREST, KELLES, TAPIA, SIMON, GALLAGHER -- read once and referred to the Committee on Insurance -- recommitted to the Committee on Insurance in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to requiring property/casualty insurance companies to submit certain zip code-level data, market share data, and information about models and scoring methods used for catastrophes to the department of financial services; to amend the insurance law, in relation to authorizing a premium discount to policyholders who demonstrate certain mitigation actions; to amend the insurance law, in relation to the timing of cancellation and nonrenewal notices for certain insurance policies; and to amend the insurance law, in relation to increasing membership of the board governing the New York property insurance underwriting association and to requiring a quadrennial report on the activities of such association

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 4122
2 to read as follows:

3 § 4122. Reporting requirements for property/casualty insurance compa-
4 nies. (a) For the purposes of this section, the following terms shall
5 have the following meanings:

6 (1) "Catastrophe model" means a tool, instrumentality, means, or prod-
7 uct, including a map-based tool, a computer-based tool, or a simulation
8 that is used by an insurer to estimate potential losses from catastroph-
9 ic events.

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

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1 (2) "Community-level mitigation action" means an actuarially appropri-
2 ate mitigation action as demonstrated by a community or neighborhood
3 level designation or certification or as undertaken by a government
4 entity.

5 (3) "Property-specific mitigation action" means an actuarially appropri-
6 ate mitigation action that includes a verification and certification
7 process.

8 (4) "Natural disaster risk model" means a tool, instrumentality,
9 means, or product, including a map-based tool, a computer-based tool, or
10 a simulation, that is used by an insurer in whole or in part, to measure
11 or assess the natural disaster risk associated with a residential prop-
12 erty or community for purposes of rating, classifying, pricing, or
13 underwriting, including but not limited to writing or renewing insur-
14 ance, based on natural disaster risk or estimating risks or losses
15 corresponding to the natural disaster risk classifications.

16 (5) "Natural disaster" means the occurrence or imminent threat of
17 widespread catastrophic or severe damage, injury, or loss of life or
18 property resulting from any natural cause including, but not limited to,
19 fire, flood, earthquake, hurricane, tornado, high water, landslide,
20 mudslide, wind, storm, wave action, ice storm, air contamination,
21 blight, drought, infestation, explosion, water contamination, bridge
22 failure, or bridge collapse.

23 (b) Every property/casualty insurance company doing business in this
24 state shall annually submit the following information to the department:

25 (1) Zip code-level data on the following topics:

26 (A) nonrenewal rates;

27 (B) nonpayment cancellation rates;

28 (C) other cancellation rates;

29 (D) claim frequency rates;

30 (E) average claim amounts;

31 (F) paid loss ratios;

32 (G) average premiums; and

33 (H) market share data; and

34 (2) If utilized, the natural disaster risk model or catastrophe model
35 or scoring method used to assign risk.

36 (A) The following information about a natural disaster risk model or
37 catastrophe model or scoring method shall be submitted:

38 (i) a description of such model or method;

39 (ii) the impact of such model or method on rates;

40 (iii) an actuarial justification for all rating factors, including
41 mitigation discounts offered; and

42 (iv) an explanation of the use of the model or method in underwriting
43 decisions.

44 (B) Any model or method submitted to the department pursuant to this
45 paragraph shall be treated as a trade secret and shall not be subject to
46 disclosure under article six of the public officers law.

47 (C) Any property/casualty insurance company that uses a natural disas-
48 ter risk model, a catastrophe model, or a combination of models shall
49 ensure the following factors are either incorporated in the natural
50 disaster risk model, catastrophe model, or combination of models or are
51 otherwise demonstrably included in such property/casualty insurance
52 company's underwriting and pricing:

53 (i) property-specific mitigation actions such as establishing defensi-
54 ble space, incorporating building hardening measures, or receiving
55 certification from an entity with experience in mitigation of properties
56 against natural disasters; and

1 (ii) community-level mitigation activities or designations, including
2 forest treatment and other fuel reduction activities.

3 (D) Any property/casualty insurance company that uses a natural disas-
4 ter risk model or a catastrophe model or scoring method to assign risk
5 shall also include the information required in subparagraph (A) of this
6 paragraph in any rate filing submitted to the superintendent by such
7 property/casualty insurance company.

8 (E) If a property/casualty insurance company does not incorporate
9 property-specific and community-level mitigation actions into its
10 models, the insurance company shall provide discounts to policyholders
11 who can demonstrate that property-specific mitigation actions have been
12 undertaken on the property or community-level mitigation actions have
13 been undertaken in sufficient proximity to the property to reduce the
14 risk of loss.

15 (c) The department shall create and maintain a public-facing electronic
16 database where policyholders and the public can access the data
17 submitted by property/casualty insurance companies pursuant to paragraph
18 two of subsection (b) of this section.

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

21 § 2346-b. Homeowners insurance or property/casualty insurance; miti-
22 gation action. 1. For the purposes of this section, the following terms
23 shall have the following meanings:

24 (a) "community-level mitigation action" means an actuarially appropri-
25 ate mitigation action as demonstrated by a community or neighborhood-
26 level designation or certification or as undertaken by a government
27 entity;

28 (b) "natural disaster" means the occurrence or imminent threat of
29 widespread catastrophic or severe damage, injury, or loss of life or
30 property resulting from any natural cause including, but not limited to,
31 fire, flood, earthquake, hurricane, tornado, high water, landslide,
32 mudslide, wind, storm, wave action, ice storm, air contamination,
33 blight, drought, infestation, explosion, water contamination, bridge
34 failure, or bridge collapse;

35 (c) "natural disaster risk model" means a tool, instrumentality,
36 means, or product, including a map-based tool, a computer-based tool, or
37 a simulation, that is used by an insurer in whole or in part, to measure
38 or assess the natural disaster risk associated with a residential prop-
39 erty or community for purposes of rating, classifying, or pricing based
40 on natural disaster risk or estimating risks or losses corresponding to
41 the natural disaster risk classifications; and

42 (d) "property-specific mitigation action" means an actuarially appro-
43 priate mitigation action that includes a verification and certification
44 process.

45 2. The superintendent shall provide for an actuarially appropriate
46 reduction in the rates of homeowners insurance premiums and
47 property/casualty insurance premiums applicable to residential real
48 property for policyholders who can demonstrate that property-specific
49 mitigation actions have been undertaken on the property or community-
50 level mitigation actions have been undertaken in sufficient proximity to
51 the property to reduce the risk of loss from a natural disaster. The
52 superintendent shall by regulation establish a process for policyholders
53 to demonstrate such mitigation actions have occurred.

54 3. An insurer shall post on its public website readily accessible
55 information on the premium discounts, incentives or other premium
56 adjustments that are available to policyholders of homeowners insurance

1 or property/casualty insurance applicable to residential real property
2 who undertake property-specific mitigation actions or provide evidence
3 of community-level mitigation actions. The website shall identify, as
4 applicable:

5 (a) Property-specific mitigation actions for the policyholder to
6 undertake and community-level mitigation actions, as determined by the
7 superintendent, that could result in a discount, incentive, or other
8 premium adjustment; and

9 (b) The amount of the discount, incentive, or other premium adjustment
10 associated with each action.

11 4. An insurer that issues or delivers in this state a policy that
12 insures loss of or damage to real property shall specify the nature and
13 the total percentage amount reduction of each discount applied to the
14 policy on the declarations page and specify the nature and percentage of
15 all available discounts that the insurer offers on the policy in a
16 conspicuous note entitled "DISCOUNT INFORMATION" included with the poli-
17 cy.

18 5. An insurer shall report the following information to the super-
19 intendent, in a form prescribed by the superintendent, by April first of
20 each year:

21 (a) a list of all discounts offered to insureds during the preceding
22 calendar year, including the nature of the discounts and the discount
23 percentage amounts; and

24 (b) the number of insureds who received each discount during the
25 preceding calendar year and the zip codes in which the insured proper-
26 ties are located.

27 6. (a) An insurer that provides a mitigation discount or that uses a
28 natural disaster risk model or risk score to underwrite, nonrenew,
29 price, create a rate differential, or surcharge the premium based upon
30 the policyholder's or applicant's natural disaster risk shall provide an
31 annual written notice to each policyholder or applicant upon application
32 for insurance of the applicable mitigation discounts, the natural disas-
33 ter risk score, and any other natural disaster risk classification used
34 by the insurer to underwrite, nonrenew, price, create a rate differen-
35 tial, or surcharge the premium based upon the policyholder's or appli-
36 cant's natural disaster risk.

37 (b) Such notice shall include:

38 (i) a plain-language explanation of the natural disaster risk score or
39 other natural disaster risk classification, including an explanation
40 that insurers may use different models and have different risk score
41 changes that could result in different risk scores from other insurers;

42 (ii) the range of the scores or classifications that could potentially
43 be assigned to the property;

44 (iii) the relative position of the score or classification assigned to
45 the property within that range of possible scores or classifications
46 provided by the insurer's risk model;

47 (iv) a written explanation of why the policyholder or applicant
48 received the assigned score or classification that identifies the prima-
49 ry features of the property that influenced the assignment of the score
50 or classification; and

51 (v) the impact, if any, that each property-specific mitigation or
52 community-level mitigation action could have on a natural disaster risk
53 score or classification assigned to the property.

54 7. The insurer shall provide the natural disaster risk score or clas-
55 sification to the policyholder or the applicant:

1 (a) for applicants, no later than fifteen days after the submission of
2 the applicant's completed application to the insurer;

3 (b) for policyholders, in the offer of renewal;

4 (c) for policyholders that are not being offered a renewal, with the
5 nonrenewal notice; and

6 (d) for a policyholder or applicant, if the policyholder or applicant
7 has completed a property-specific mitigation action or provides evidence
8 of a community-level mitigation action in sufficient proximity to the
9 property to reduce the risk of loss since the time of the last applica-
10 tion to or renewal by the insurer, no later than thirty days after the
11 submission to the insurer of the policyholder's or applicant's request
12 that the insurer provide a revised natural disaster risk score or risk
13 classification.

14 8. A policyholder or applicant for a policy of insurance whose natural
15 disaster risk model score, natural disaster risk classification assigned
16 to the property, or applicable mitigation discount is inaccurate and
17 provides evidence of the property-specific or community-level mitigation
18 action may appeal the score directly to the insurer. The insurer shall
19 notify the policyholder or applicant in writing of the right to appeal
20 the natural disaster risk score or other natural disaster risk classi-
21 fication or applicable mitigation discount when the score or classifica-
22 tion or discount is provided to the policyholder or applicant as
23 required by this section. If the policyholder or applicant appeals the
24 natural disaster risk score or other natural disaster risk classifica-
25 tion or applicable discount, the insurer shall acknowledge receipt of
26 the appeal in writing within ten calendar days after receipt of the
27 appeal. The insurer shall respond to the appeal in writing with a
28 reconsideration and decision within thirty calendar days after receiving
29 the appeal. If an appeal is denied, the insurer shall, upon request by
30 the superintendent, forward a copy of the appeal and the insurer's
31 response, to the superintendent.

32 § 3. Subsections 1 and 2 of section 2346 of the insurance law,
33 subsection 1 as amended by chapter 454 of the laws of 1994 and
34 subsection 2 as amended by chapter 637 of the laws of 1993, are amended
35 to read as follows:

36 1. [~~The superintendent may provide for a~~] An insurer shall offer at
37 least one discount that provides an actuarially appropriate reduction in
38 the rates of fire insurance premiums or the fire insurance component of
39 homeowners insurance premiums applicable to residential real property
40 for fire prevention or mitigation improvements, such as when the real
41 property is equipped with smoke detecting alarm devices, approved sprin-
42 kler systems, or fire extinguishers[~~, should a statistically valid study~~
43 ~~of insurer experience indicate an actuarially significant decrease in~~
44 ~~losses in the aforementioned circumstances. The reductions provided for~~
45 ~~shall be proportionally related to the actuarially calculable decrease~~
46 ~~in losses in the aforementioned circumstances~~].

47 2. [~~The superintendent may provide for a~~] (a) An insurer shall offer
48 at least one discount that provides an actuarially appropriate reduction
49 in the rates of homeowners insurance premiums applicable to residential
50 real property for each of the following categories of improvements:

51 (1) theft prevention or mitigation improvements, such as when the real
52 property is equipped with dead-bolt locks[~~, should a statistically valid~~
53 ~~study of insurer experience indicate an actuarially significant decrease~~
54 ~~in losses attributable to the use of such a device. The superintendent~~
55 ~~shall by regulation establish standards for dead-bolt locks for which a~~
56 ~~reduction may be approved. The reductions provided for shall be propor-~~

~~tionally related to the actuarially calculable decrease in losses attributable to the use of such a device]~~ or a security system; and

(2) water damage prevention or mitigation improvements, such as a smart water monitor and shutoff device.

(b) An insurer shall offer a discount that provides an actuarially appropriate reduction in the rates of homeowners insurance premiums applicable to residential real property for the installation of a newly constructed roof or a roof replacement and for each of the following wind damage mitigation improvements to the property:

(1) improvements made to roof coverings, such as tiles or shingles, for wind-resistance;

(2) roof deck attachments;

(3) secondary water resistance, including sealing and strengthening a roof deck, roof and gable end vents or covers, and improvements made for water intrusion resistance of attic vents; and

(4) roof to wall connections, including toe nails, clips, strapping, or ties.

(c) To be considered for any discount provided for in paragraph (b) of this subsection, an insurable property shall be certified as constructed in accordance with any building code applicable in this state or New York city, as amended from time-to-time, or such other standards as approved by the superintendent.

§ 4. Paragraphs 12 and 13 of subsection (b) of section 2305 of the insurance law, as amended by section 9 of part AAA of chapter 59 of the laws of 2017, are amended and a new paragraph 14 is added to read as follows:

(12) gap insurance; ~~and~~

(13) private passenger automobile insurance, except as provided in section two thousand three hundred fifty of this article~~7~~; ~~and~~

(14) homeowners insurance or property/casualty insurance applicable to residential real property as it relates to the inclusion of property-specific mitigation actions and community-level mitigation actions in the calculation of such rates,

§ 5. Paragraphs 1 and 2 of subsection (d) of section 3425 of the insurance law are amended to read as follows:

(1) Unless the insurer, at least ~~forty-five~~ ninety but not more than ~~sixty~~ one hundred twenty days in advance of the end of the policy period for nonrenewal or conditional renewal or the effective date for cancellation, mails or delivers to the named insured, at the address shown in the policy, a written notice of its intention not to renew a covered policy, ~~or~~ to condition its renewal upon change of limits or elimination of any coverages, or to cancel the policy, the named insured shall be entitled to renew the policy upon timely payment of the premium billed to the insured for the renewal. The specific reason or reasons for nonrenewal or conditioned renewal shall be stated in or shall accompany the notice. The specific reason or reasons for cancellation as provided in subsection (c) of this section shall be stated in or shall accompany the notice. This paragraph shall not apply when the named insured, an agent or broker authorized by the named insured, or an insurer of the named insured, has mailed or delivered written notice to the insurer that the policy has been replaced or is no longer desired.

(2) If an insurer has the right to cancel a policy it may, in lieu of cancellation, condition continuation of such policy upon change of limits or elimination of any coverage not required by law, if written notice of such intention is mailed or delivered to the insured at the

1 address shown in the policy at least [~~twenty~~] ninety days prior to the
2 effective date of such action.

3 § 6. The opening paragraph of subsection (c) of section 3426 of the
4 insurance law, as amended by chapter 235 of the laws of 1989, is amended
5 to read as follows:

6 After a covered policy has been in effect for sixty days unless
7 cancelled pursuant to subsection (b) of this section, or on or after the
8 effective date if such policy is a renewal, no notice of cancellation
9 shall become effective until [~~fifteen~~] ninety days after written notice
10 is mailed or delivered to the first-named insured and to such insured's
11 authorized agent or broker, and such cancellation is based on one or
12 more of the following:

13 § 7. Paragraphs 3 and 4 of subsection (a) of section 3462 of the
14 insurance law, as added by section 1 of part BB of chapter 56 of the
15 laws of 2024, are amended and a new paragraph 5 is added to read as
16 follows:

17 (3) The level or source of income of the tenants of the residential
18 building or the shareholders of a cooperative housing corporation; [~~or~~]

19 (4) Whether such residential building is owned by a limited-equity
20 cooperative; owned by a public housing authority; or owned by a cooper-
21 ative housing corporation subject to the provisions of article two,
22 article four, article five or article eleven of the private housing
23 finance law[~~-~~]; or

24 (5) The residential building is located in a disadvantaged community,
25 as identified pursuant to section 75-0111 of the environmental conserva-
26 tion law. An insurer who cancels, refuses to issue, refuses to renew or
27 increase the premium of a policy, or excludes, limits, restricts, or
28 reduces coverage under a policy for a residential building located in a
29 disadvantaged community shall provide actuarial information to the
30 insured or applicant to support such action.

31 § 8. Subsection (b) of section 5402 of the insurance law, as amended
32 by chapter 42 of the laws of 1996, is amended to read as follows:

33 (b) The association shall be governed by a board of [~~thirteen~~] twen-
34 ty-three directors, ten of whom shall be elected annually by cumulative
35 voting by the members of the association, whose votes in such election
36 shall be weighted in accordance with each member's net direct premiums
37 written during the preceding calendar year. An additional six directors
38 shall be appointed annually by the legislature, two by the temporary
39 president of the senate, two by the speaker of the assembly, one by the
40 minority leader of the senate and one by the minority leader of the
41 assembly. Four directors shall be appointed annually by the governor and
42 two of such directors shall be representatives of consumers. The remain-
43 ing three directors shall be appointed annually by the superintendent
44 and be duly licensed insurance agents or brokers representative of broad
45 segments of the public obtaining insurance through the association.

46 § 9. Subsection (g) of section 5402 of the insurance law, as amended
47 by chapter 182 of the laws of 2023, is amended to read as follows:

48 (g) In addition to fire insurance, extended coverage, coverage for
49 additional perils and homeowners insurance should the same be made
50 available through the association in accordance with a determination of
51 necessity pursuant to section five thousand four hundred twelve of this
52 article, the association may offer broad form coverage to applicants
53 seeking to insure real property at fixed locations of this state, or the
54 tangible personal property located thereon. The association may offer
55 broad form coverage until June thirtieth, two thousand twenty-eight. On
56 or before October first, two thousand twenty-seven the superintendent

1 shall require the association to report to the superintendent as to the
2 number of policies written pursuant to this subsection and paragraph
3 three of subsection (f) of section five thousand four hundred five of
4 this article, and any other information the superintendent may require.
5 On or before January first, two thousand twenty-eight, and every four
6 years thereafter, the superintendent shall report to the governor and
7 the legislature regarding the number of policies issued pursuant to this
8 section and such paragraph, the geographic location of such policies,
9 the types of policies offered, the coverage limits of such policies,
10 risk reduction investments, information on the financial standing of the
11 association and [~~shall include~~] recommendations as to the continuation
12 of such insurance offerings.

13 § 10. This act shall take effect on the one hundred eightieth day
14 after it shall have become a law. Effective immediately, the addition,
15 amendment and/or repeal of any rule or regulation necessary for the
16 implementation of this act on its effective date are authorized to be
17 made and completed on or before such effective date.