

# STATE OF NEW YORK

7344

2025-2026 Regular Sessions

## IN SENATE

April 10, 2025

Introduced by Sen. BAILEY -- 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 the New York insurance underwriting transparency act

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 article 6 to  
2 read as follows:

### ARTICLE 6

#### NEW YORK INSURANCE UNDERWRITING TRANSPARENCY ACT

3 Section 601. Short title.

4 602. Purpose.

5 603. Scope.

6 604. Definitions.

7 605. Transparency requirements.

8 606. Rules and regulations.

9 § 601. Short title. This article shall be known and may be cited as  
10 the "New York Insurance Underwriting Transparency Act".

11 § 602. Purpose. The purpose of this legislation is to provide personal  
12 auto and homeowners insurance consumers with clear and useful informa-  
13 tion explaining the basis for when a material change is made to a  
14 consumer's policy.

15 § 603. Scope. (a) This article applies to personal automobile and  
16 homeowner's policies that are underwritten on an individual basis for an  
17 individual, family, or household.

18 (b) This article shall not apply to notices required by the federal  
19 Fair Credit Reporting Act (15 U.S.C. 1681 et seq.).

20 § 604. Definitions. For the purposes of this article, the following  
21 terms shall have the following meanings:

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

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1 (a) "Insured" means an individual entitled to coverage under a  
2 personal automobile or homeowner's insurance policy.

3 (b) (1) "Material change" means, in relation to insurance in  
4 connection with a personal automobile or homeowner's policy:

5 (A) a nonrenewal or cancellation;

6 (B) an increase of more than ten percent over the expiring premium;

7 (C) a reduction in coverage; or

8 (D) another adverse or unfavorable change in the terms of coverage or  
9 amount.

10 (2) The term "material change" shall not include:

11 (A) An increase in the insurer's filed rate plan and automatic infla-  
12 tionary increases;

13 (B) An additional premium due to a change initiated by the insured,  
14 such as:

15 (i) adding or removing vehicles or drivers;

16 (ii) adding an endorsement;

17 (iii) adding additional coverages;

18 (iv) adding covered premises; or

19 (v) increasing coverage limits or deductibles; and

20 (C) An additional premium due to a change in risk exposure as a result  
21 of the insured's participation in a usage based or telematics insurance  
22 program.

23 § 605. Transparency requirements. (a) An insurer that makes a material  
24 change to an insured's personal automobile or homeowner's policy shall  
25 provide a written notice to the insured that:

26 (1) explains the principal factors for the material change; or

27 (2) states that the insured has the right to request and obtain an  
28 explanation of the principal factors for the material change.

29 (b) An insured who receives a notice of a material change described in  
30 paragraph two of subsection (a) of this section may submit to the insur-  
31 er a written request for an explanation of the principal factors for the  
32 material change.

33 (c) Upon receiving a request for an explanation under subsection (b)  
34 of this section, the insurer shall provide a written notice to the  
35 insured explaining the principal factors for the material change.

36 (d) An insurer shall provide a copy of a written notice provided under  
37 paragraph one of subsection (a) or subsection (c) of this section to the  
38 insurance producer, if any, who:

39 (1) represented the insured in obtaining coverage from the insurer, or  
40 represented the insurer in regard to the providing of coverage to the  
41 insured; and

42 (2) is not an employee, an exclusive agent, or a captive agent of the  
43 insurer.

44 (e) A written notice:

45 (1) provided under subsection (a) or (c) of this section, or a written  
46 request submitted under subsection (b) of this section, shall be  
47 provided by first class mail or electronic delivery to an electronic  
48 mail address at which a party has consented to receive notices or docu-  
49 ments;

50 (2) provided under subsection (d) of this section may be provided to  
51 the insurance producer via the insurer's portal for producer communi-  
52 cations.

53 (f) A written notice provided under paragraph one of subsection (a) or  
54 subsection (c) of this section shall:

1 (1) be sufficiently clear and use language sufficiently specific to  
2 enable the insured to identify the basis for the insurer's decision to  
3 make the material change;

4 (2) include a description of the principal factors most heavily  
5 weighed by an insurer in making a material change, listed in no partic-  
6 ular order; and

7 (3) provide a point of contact through which the insured may discuss  
8 the reasons for the material change.

9 (g) The following type of statements shall not be considered to meet  
10 the requirements set forth in subsection (f) of this section:

11 (1) the material change is based on the insurer's internal standards,  
12 policies, or models;

13 (2) the insured failed to achieve a particular score on the insurer's  
14 scoring system; or

15 (3) one containing generalized terms, such as "poor credit history",  
16 "poor credit rating", or "poor insurance score".

17 (h) The requirements set forth in this section do not replace and are  
18 in addition to any other requirements under this chapter.

19 (i) Nothing in this article shall prohibit an insurer from voluntarily  
20 providing the disclosures required by this article.

21 § 606. Rules and regulations. The superintendent may adopt rules or  
22 regulations as the superintendent considers appropriate to carry out the  
23 provisions of this article.

24 § 2. This act shall take effect one year after it shall have become a  
25 law and shall apply to any policy issued, amended, or renewed on and  
26 after such effective date.