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:

Section 1. The insurance law is amended by adding a new article 6 to read as follows:

ARTICLE 6

NEW YORK INSURANCE UNDERWRITING TRANSPARENCY ACT

Section 601. Short title.
602. Purpose.
603. Scope.
604. Definitions.
605. Transparency requirements.
606. Rules and regulations.

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

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

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

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

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

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

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

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

(A) a nonrenewal or cancellation;

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

(C) a reduction in coverage; or

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

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

(A) An increase in the insurer's filed rate plan and automatic inflationary increases;

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

(i) adding or removing vehicles or drivers;

(ii) adding an endorsement;

(iii) adding additional coverages;

(iv) adding covered premises; or

(v) increasing coverage limits or deductibles; and

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

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

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

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

(b) An insured who receives a notice of a material change described in paragraph two of subsection (a) of this section may submit to the insurer a written request for an explanation of the principal factors for the material change.

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

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

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

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

(e) A written notice:

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

(2) provided under subsection (d) of this section may be provided to the insurance producer via the insurer's portal for producer communications.

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

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

(2) include a description of the principal factors most heavily weighed by an insurer in making a material change, listed in no particular order; and

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

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

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

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

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

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

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

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

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