STATE OF NEW YORK

8262

2025-2026 Regular Sessions

IN SENATE

May 28, 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 improving transparency in the insurance claims process, regulating insurance adjusting professionals, instituting licensing standards for insurance professionals, ensuring timely responses to insurance claims, and enhancing policyholder protections

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 section 3463 to read as follows:

§ 3463. Period of restoration. (a) For the purposes of this section, the term "period of restoration" shall mean:

(1) the period beginning on the date of loss;

(2) the period which includes any actual time necessary to inspect, evaluate and assess the damages, obtain permits, receive funds and repair or replace damaged property in compliance with local building codes and industry standards;

(3) the period which includes any delays caused by the insurer, including failure to complete investigations or unreasonable delays in claim handling; and

(4) the period ending no earlier than upon issuance of payment of the actual cash value and replacement cost value of the property including, where applicable, the issuance of payment from the appraisal award or the mortgage holder.

(b) An insurer that issues or delivers in this state a policy of insurance covering loss of or damage to real property shall provide any services specified in such policy, including but not limited to coverage for additional living expenses, loss of use, fair rental value or business interruption, for the entire period of restoration.

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

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(c) A violation of this section shall be subject to penalties described in section one hundred nine of this chapter, civil action by the policyholder for any damages sustained due to the violation of this section, and if it is found, after notice and an opportunity to be heard, that an insurer has violated this section, the superintendent may revoke an existing license to do business in this state and may refuse to issue or renew a license to do business in the state.

§ 2. The insurance law is amended by adding a new section 3464 to read as follows:

§ 3464. Real property claim processing requirements. (a) Notwithstanding any other provision of law to the contrary, an insurer that issues or delivers in this state a policy of insurance covering loss of or damage to real property shall:

(1) upon the submission of a claim:

(A) acknowledge receipt of such claim within five business days.

(B) provide an electronic copy of the policyholder's entire insurance policy, including, but not limited to, all forms and endorsements and a letter, written clearly and in plain language, outlining policy benefits, coverages, time limits, exclusions regarding structures and conditions and any other provisions of the policy within thirty days of such claim being submitted.

(2) within sixty days of the submission of a claim, issue an estimated insurance payout including an estimate of damages with support and reasoning for any cost assessments.

(3) where a primary residence covered under such policy or any entire room thereof is deemed a total loss or is inaccessible due to structural damage, accept the inventory of such residence or room in a form which contains substantially the same information as a form issued by the insurer for such purposes which includes categories of type of items lost with the costs, actual cash value and amount of loss claimed for such categories.

(4) when disputing any part, category, or item of an inventory of destroyed, damaged and undamaged property, provide a detailed explanation of why each such part, category, or item is in dispute.

(5) not deny or delay a claim settlement on the basis that responsibility for payment should be assumed by another person, party, or entity.

(6) maintain a complete and unaltered record of all versions of all reports, pictures, appraisals, estimates, recommendations, descriptions of work performed, results of tests conducted, and detailed descriptions of why any such claim was denied or reduced which shall be made available to the policyholder upon request.

(7) require all adjusters undergo mandatory training on all applicable laws and regulations of being an adjuster. Such training shall be in compliance with requirements established by the department which shall include, but not be limited to, conducting a timely investigation into a claim, providing adequate verbal and written communication with the policyholder, and a detailed list of any other laws, rules, regulations, guidelines, and standards all insurers and adjusters are required to follow. Such trainings shall also include a detailed compliance checklist to ensure adherence to such laws, rules, regulations, guidelines, and standards.

(8) create a clear and accessible grievance procedure that allows policyholders to escalate concerns regarding claims handling and facilitate timely resolutions of such grievances.

(9) establish a review board or independent body specifically tasked with assessing and addressing complaints related to alleged unfair claims practices.

(10) perform reviews and take corrective actions for failures in claims handling processes immediately when professional standards and regulatory requirements are breached.

(11) conduct regular audits to assess claims management practices. Where such an audit identifies deficiencies in the insurer's claims management practices, the insurer shall take immediate action to correct such deficiencies.

(b) Where an insurer requires additional time to complete the requirements of this section, the insurer shall provide the insured with:

(1) a written explanation for the delay which shall include, but not be limited to, the specific reasons for such delay.

(2) the parties involved in the delay.

(3) a timeline for completing the requirements of this section with such delay.

(c) The department shall implement a system for tracking and monitoring of denials and reductions of real property insurance claims. Insurers shall participate in such system and shall ensure the information on such system for any denials of real property insurance claims on their policies is accurate. Such system shall include, but shall not be limited to, comprehensive documentation from and rationale of the insurer for any real estate insurance claim denials or reductions, the ability for the department to identify and investigate potential mismanagement, unsupported assertions, and improper policy language interpretation by insurers, and

(d) A violation of this section shall be subject to penalties described in section one hundred nine of this chapter, civil action by the policyholder for any damages sustained due to the violation of this section, and if it is found, after notice and an opportunity to be heard, that an insurer has violated this section, the superintendent may revoke an existing license to do business in this state and may refuse to issue or renew a license to do business in the state.

§ 3. The insurance law is amended by adding a new section 3465 to read as follows:

§ 3465. Appraisals. Notwithstanding any other provision of law to the contrary including sections thirty-four hundred four and thirty-four hundred eight of this article relating to the standard fire insurance policy of the state of New York:

(a) An insurer that issues or delivers in this state a policy of insurance covering loss of or damage to real property shall:

(1) only select an appraiser or appraisal management company which is competent and disinterested for an appraisal of loss or estimate of the cost of damages.

(2) not select an appraiser or appraisal management company for an appraisal of loss or estimate of the cost of damages where such appraiser or appraisal management company was involved in a prior appraisal of loss, estimate of the cost of damages, or initial claim relating to the real property which is the subject of such appraisal or estimate.

(3) provide a detailed, itemized list and explanation of any disputed claim or items in such claim to the insured at least ten days prior to requesting an appraisal of loss or estimate of the cost of damages.

(b) An insured shall:

(1) only select an appraiser or appraisal management company which is competent and disinterested for an appraisal of loss, estimate of the cost of damages, or initial claim.

(2) not select an appraiser or appraisal management company for an appraisal of loss, estimate of the cost of damages, or initial claim where such appraiser or appraisal management company was involved in a prior appraisal of loss, estimate of the cost of damages, or initial claim relating to the real property which is the subject of the appraisal, estimate, or claim.

(3) provide a detailed, itemized list and explanation of any disputed claims or items in such claims to the insurer at least ten days prior to requesting an appraisal of loss or estimate of the cost of damages.

(c) (1) Where the insurer or the insured has requested an appraisal of loss or estimate of the cost of damages, the insured or insurer, respectively, shall select an appraiser or appraisal management company within fifteen business days of such request.

(2) Within fifteen days of both the insurer and the insured selecting an appraiser or appraisal management company, a competent and disinterested umpire shall be selected.

(3) Within thirty days of both the insurer and the insured selecting an appraiser or appraisal management company, the appraisers and/or appraisal management companies shall schedule an onsite inspection at the loss location and shall notify all parties of such onsite inspection date.

(d) Within sixty days after the onsite inspection, the appraisers and/or appraisal management companies shall provide an update on the status of their negotiations. If an agreement has not been reached within such sixty-day period, then an additional, one time, thirty-day extension can be provided before the appraisal of loss or estimate of the cost of damages is elevated to the umpire. All parties shall be notified if the appraisal is elevated to the umpire.

(e) Within thirty days of the appraisal of loss or estimate of the cost of damages being elevated to the umpire, the umpire shall provide a final appraisal of loss or estimate of the cost of damages.

(f) A violation of this section by the insurer shall be subject to penalties described in section one hundred nine of this chapter, civil action by the policyholder for any damages sustained due to the violation of this section, and if it is found, after notice and an opportunity to be heard, that an insurer has violated this section, the superintendent may revoke an existing license to do business in this state and may refuse to issue or renew a license to do business in the state.

§ 4. Section 2107 of the insurance law is amended by adding a new subsection (g) to read as follows:

(g) No person shall act as a building consultant on an appraisal of loss or estimate of the cost of damages without being licensed as an insurance building consultant. The superintendent shall establish licensing requirements for insurance building consultants which act as a consultant on an appraisal of loss or estimate of the cost of damages which shall be the same requirements as being licensed as an independent adjuster or public adjuster under section two thousand one hundred eight of this article including, but not limited to, bonding requirements, continuing education requirements, and ethical standards.

§ 5. Paragraphs 1, 2 and 3 of subsection (r) of section 2108 of the insurance law, as added by chapter 264 of the laws of 1998, are amended to read as follows:

(1) The following continuing education requirements shall apply to resident and non-resident persons licensed as public adjusters **or independent adjusters**.

(2) Resident and non-resident persons licensed as public adjusters **or independent adjusters** and any person previously so licensed whose license was not in effect on the effective date of this subsection and who has subsequently been relicensed pursuant to the provisions of this article, shall biennially satisfactorily complete such courses or programs as may be approved by the superintendent, as follows:

(A) Any person holding a license as a public adjuster **or independent adjusters** shall, during each full biennial licensing period, satisfactorily complete courses or programs of instruction or attend seminars as may be approved by the superintendent equivalent to fifteen credit hours of instruction.

(B) During the same calendar year biennial licensing period, a licensee may use accumulated continuing education credits to meet the requirements of similar classes of licenses including those authorized by subsection (b) of section two thousand one hundred three, section two thousand one hundred four, section two thousand one hundred seven of this article with respect to general insurance consultants, and section two thousand one hundred eight of this article with respect to public adjusters **or independent adjusters**.

(C) Excess credit hours accumulated during any biennial licensing period shall not carry forward to the next biennial licensing period for that same class of license.

(3) (A) The courses or programs of instruction successfully completed, which shall be deemed to meet the superintendent's standards for continuing education shall be:

(i) Courses, programs of instruction or seminars, approved as to method and content by the superintendent, covering portions of the principal branches of insurance related to the kinds of insurance covered by the public adjusting license **or independent adjusting license**, and given by a degree conferring college or university whose curriculum is registered with the state education department at the time the person takes the course, whether such course be given as part of such curriculum or separately, or by any other institution, association, trade association or insurer, which maintains equivalent standards of instruction and which shall have been approved for such purpose by the superintendent.

(ii) Continuing education as required by the state in which a non-resident licensee resides and maintains an office, provided the superintendent deems them equivalent to New York continuing education requirements. If the state in which the non-resident licensee resides and maintains an office has no continuing education requirements, or the superintendent does not deem them equivalent, the licensee must satisfy New York continuing education requirements.

(B) The number of credit hours assigned to each of the courses or programs of instruction set forth in paragraph one of this subsection shall be determined by the superintendent.

§ 6. Section 2108 of the insurance law is amended by adding three new subsections (t), (u) and (v) to read as follows:

(t) Public adjusters shall be able to charge any reasonable rate for services rendered by the adjuster. The superintendent shall not limit the rate a public adjuster may charge for their services.

(u) The superintendent shall create a code of ethics which shall be adhered to by each independent adjuster licensed under this section. Such code of ethics shall include, but not be limited to, preventing

conflicts of interest and improper influence. Any licensee who violates the provisions of this subsection shall be subject to penalties described in section one hundred one of this chapter, civil action by a policyholder for any damages sustained due to the violation of this section, and if it is found, after notice and an opportunity to be heard, that licensee has violated this subsection, the superintendent may revoke an existing license and may refuse to issue or renew a license.

(v) (1) The department shall issue to each licensee under this section and adjusters who are employed by an insurer a photo identification card. Such cardholders shall carry such card on their person when acting as an adjuster. Such photo identification card shall include, but not be limited to, the cardholder's:

(A) name.

(B) profession.

(C) license number, if such cardholder is licensed.

(D) license expiration date, if such cardholder is licensed.

(E) a unique identification number issued by the department.

(2) Any cardholder who violates the provisions of this subsection shall be subject to penalties described in section one hundred nine of this chapter, civil action by a policyholder for any damages sustained due to the violation of this section, and if it is found, after notice and an opportunity to be heard, that a cardholder has violated this subsection, the superintendent may revoke an existing license and may refuse to issue or renew a license.

§ 7. The insurance law is amended by adding a new section 2108-a to read as follows:

§ 2108-a. Claim for real property damage; engineers and technicians. (a) For the purposes of this section, the term "technician" shall mean any person who provides plumbing, electrical, heating, cooling, ventilation, electrics testing, engineering, building consulting, industrial hygiene, and other services to real property.

(b) Insurers shall only hire professional engineers licensed under article one hundred forty-five of the education law to inspect, evaluate, assess damages, provide opinions, and provide any other services of a professional engineer regarding real property claims. Insurers shall only permit engineers who are eligible to receive an engineer in training identification card under section seventy-two hundred six of the education law to evaluate, assess damages, provide opinions, and provide any engineering services regarding real property claims when under the supervision and in the presence of a licensed professional engineer.

(c) Where an insurer hires or directs a technician to inspect, evaluate, assess damages, provide opinions, and provide other services of a technician on the real property which is the subject of a claim, the insurer shall:

(1) inform the policyholder of the name, role, title, and company of the technician who will be providing services on such real property.

(2) require the technician to:

(A) provide the policyholder with a certificate of insurance listing the policyholder as an additionally insured party.

(B) provide the name, role, title, and company of any person contracted by the technician to provide services on such real property.

(C) identify themselves to the policyholder and any other party to the claim when providing services of a technician for such real property with their name, role, title, company, and the name of who hired the technician to provide such services.

(D) maintain, in conjunction with the insurer, a complete and unaltered record of all versions of all reports, pictures, appraisals, estimates, recommendations, work performed, tests conducted, and services provided which shall be made available to the policyholder upon request.

(3) identify any changes made to the appraisal of loss or estimate of the cost of damages, identify who made the decision to make such change, and provide a detailed explanation as to why such change was made.

(d) Any report regarding a real property claim submitted by a technician who inspected, evaluated, assessed damages, provided opinions, or provided other services of a technician on the real property which is the subject of the claim shall be signed by such technician and shall include the name, role, title, and company of any other technician who also inspected, evaluated, assessed, provided opinions, or provided other services of a technician on such real property or otherwise contributed to such report under such technician submitting such report.

(e) A violation of this section by the insurer shall be subject to penalties described in section one hundred nine of this chapter, civil action by the policyholder for any damages sustained due to the violation of this section, and if it is found, after notice and an opportunity to be heard, that an insurer has violated this section, the superintendent may revoke an existing license to do business in this state and may refuse to issue or renew a license to do business in the state.

§ 8. Severability clause. If any clause, sentence, paragraph, subdivision, section or part contained in any part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part of this act contained in any part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 9. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to all policies and contracts issued, renewed, modified, altered or amended on or after such effective date. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.