STATE OF NEW YORK

8583--C

2025-2026 Regular Sessions

IN SENATE

November 17, 2025

Introduced by Sens. KAVANAGH, KRUEGER, MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Insurance in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, 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 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:

Section 1. The insurance law is amended by adding a new section 4122 to read as follows:

§ 4122. Reporting requirements for property/casualty insurance companies. Every property/casualty insurance company doing business in this state shall annually submit the following information to the department with zip code-level data:

(a) nonrenewal rates;

(b) nonpayment cancellation rates;

(c) other cancellation rates;

(d) claim frequency rates;

(e) average claim amounts;

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

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(f) paid loss ratios; and

(g) average premiums.

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

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

(a) "community-level mitigation action" means an actuarially appropriate mitigation action as demonstrated by a community or neighborhood-level designation or certification or as undertaken by a government entity; and

(b) "property-specific mitigation action" means an actuarially appropriate mitigation action that includes a verification and certification process.

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

3. An insurer shall post on its public website readily accessible information on the premium discounts, incentives or other premium adjustments that are available to policyholders of homeowners insurance or property/casualty insurance applicable to residential real property who undertake property-specific mitigation actions or provide evidence of community-level mitigation actions. The website shall identify, as applicable:

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

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

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

5. An insurer shall report the following information to the superintendent, in a form prescribed by the superintendent, by April first of each year:

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

(b) the number of insureds who received each discount during the preceding calendar year and the zip codes in which the insured properties are located.

6. A policyholder or applicant for a policy of insurance whose applicable mitigation discount related to property-specific or community-level mitigation is inaccurate and provides evidence of the property-specific or community-level mitigation action may appeal directly to the

insurer. The insurer shall notify the policyholder or applicant in writing of the right to appeal the applicable mitigation discount when the discount is provided to the policyholder or applicant as required by this section. If the policyholder or applicant appeals the applicable discount, the insurer shall acknowledge receipt of the appeal in writing within ten calendar days after receipt of the appeal. The insurer shall respond to the appeal in writing with a reconsideration and decision within thirty calendar days after receiving the appeal. If an appeal is denied, the insurer shall, upon request by the superintendent, forward a copy of the appeal and the insurer's response, to the superintendent.

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

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

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

(1) theft prevention or mitigation improvements, such as when the real property is equipped with dead-bolt locks[~~, should a statistically valid study of insurer experience indicate an actuarially significant decrease in losses attributable to the use of such a device. The superintendent shall by regulation establish standards for dead-bolt locks for which a reduction may be approved. The reductions provided for shall be proportionally 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[~~.~~]; 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 address shown in the policy at least [~~twenty~~] ninety days prior to the effective date of such action.

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

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

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

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

(4) Whether such residential building is owned by a limited-equity cooperative; owned by a public housing authority; or owned by a cooperative housing corporation subject to the provisions of article two,

article four, article five or article eleven of the private housing finance law[~~.~~]**; or**

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

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

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

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

(g) In addition to fire insurance, extended coverage, coverage for additional perils and homeowners insurance should the same be made available through the association in accordance with a determination of necessity pursuant to section five thousand four hundred twelve of this article, the association may offer broad form coverage to applicants seeking to insure real property at fixed locations of this state, or the tangible personal property located thereon. The association may offer broad form coverage until June thirtieth, two thousand twenty-eight. On or before October first, two thousand twenty-seven the superintendent shall require the association to report to the superintendent as to the number of policies written pursuant to this subsection and paragraph three of subsection (f) of section five thousand four hundred five of this article, and any other information the superintendent may require. On or before January first, two thousand twenty-eight, **and every four years thereafter,** the superintendent shall report to the governor and the legislature regarding the number of policies issued pursuant to this section and such paragraph**, the geographic location of such policies, the types of policies offered, the coverage limits of such policies, risk reduction investments, information on the financial standing of the association** and [~~shall include~~] recommendations as to the continuation of such insurance offerings.

§ 10. This act shall take effect on the one hundred eightieth day after it shall have become a law. 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.