

§ 5402. Joint underwriting association. (a) The joint underwriting association known as the New York property insurance underwriting association is continued, consisting of all insurers authorized to write and engaged in writing within this state, on a direct basis, fire and extended coverage insurance, including insurers covering such perils in homeowners and commercial multiple peril package policies but excluding assessment cooperative fire insurance companies transacting business pursuant to article sixty-six of this chapter. Every such insurer shall be and remain a member of the association as a condition of its authority to continue to transact fire, extended coverage and homeowners insurance in this state.

(b) The association shall be governed by a board of thirteen 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. 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.

(c) The association shall, pursuant to the provisions of this article and the plan of operation and with respect to fire insurance, extended coverage, broad form coverage issued pursuant to subsection (g) of this section, coverage for additional perils, and homeowners insurance should the same be made available through the association in accordance with a determination of necessity made by the superintendent pursuant to section five thousand four hundred twelve of this article on insurable property, have the power on behalf of its members:

- (i) to cause policies of insurance to be issued to applicants;
- (ii) to assume reinsurance from its members; and
- (iii) to cede reinsurance.

(d) The association shall adhere to a plan of operation, consistent with the provisions of this article, approved by the superintendent after consultation with affected individuals and organizations. The plan shall provide for economical, fair and non-discriminatory administration and prompt and efficient provision of fire, extended coverage, broad form coverage pursuant to subsection (g) of this section and homeowners insurance, when a determination of necessity is made by the

superintendent pursuant to section five thousand four hundred twelve of this article to promote orderly community development. It shall contain other matters including, but not limited to, provision for necessary facilities; management of the association; assessment of members to defray losses and expenses; commission arrangements; reasonable and objective underwriting standards; acceptance and cession of reinsurance and procedures for determining amounts of insurance to be provided by the association. The amounts shall not be in excess of one million five hundred thousand dollars for the insurable real property or the tangible personal property thereon.

(e) The directors of the association may, on their own initiative or at the request of the superintendent, amend the plan subject to approval by the superintendent.

(f) The association shall offer homeowners insurance, as defined in subsection (h) of section five thousand four hundred one of this article upon a determination of necessity having been made by the superintendent pursuant to section five thousand four hundred twelve of this article.

(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, the superintendent shall report to the governor and the legislature regarding the number of policies issued pursuant to this section and such paragraph and shall include recommendations as to the continuation of such insurance offerings.

(i) Not less than once every thirty days, the association shall report to the superintendent, the speaker of the assembly, and the temporary

president of the senate on the number, location and type of policies written through a coastal market assistance program.