



2024 Key Legislative Issues

Independent insurance agents understand the needs of consumers and have a comprehensive view of the market that few others possess. The current challenging market conditions underscore the value of the independent insurance distribution model to serve customers best.

New York's insurance market is increasingly strained, and policyholders across the state are feeling the pressure of rising rates and dwindling availability. These bills aim to help agents and their customers better weather the challenging market and prevent consumers from losing coverage choices.

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SUPPORT Simplification of the process for obtaining coverage in the excess market

Bill Number: A.5253 (Hunter) and S.5896 (Breslin)
Cosponsors: Senator Palumbo
Current Status: In Assembly Insurance Committee. Passed Senate 56-0
Ask: Assembly: Cosponsor and vote in support.

What it does: Eliminates the requirement to obtain three declinations from admitted insurance carriers before placing commercial coverage in the excess market, in situations where coverage is placed by a licensed excess lines broker.

Why it is good for consumers: The excess market offers greater flexibility on rate and coverage than admitted coverage. It is of vital importance to effectively serve consumer needs. The current process of requiring three declinations creates unnecessary time and paperwork burdens for agents and their insureds, and can result in a delay getting the proper coverage.

SUPPORT Repeal of the NYC Anti-Arson application

Bill Number: A.8831 (Berger) and S.3547 (Sanders)
Cosponsors: Assemblymember Levenberg
Current Status: Passed Assembly 147-0. In Senate Insurance.
Ask: Senate: Co-sponsor and vote in support.

What it does: Eliminates the anti – arson application.

Why it is good for consumers: In 1981 when New York first enacted its anti-arson application law, arson for profit was a significant economic and societal problem. New York's anti-arson

application law was enacted to give insurers ownership and property valuation information to assist in the investigation of arson for profit and to require property owners to sign a fraud statement. However, present-day arson investigation techniques no longer rely on the anti-arson application form to determine ownership and property valuation and fraud statements are collected through other means when adjusting a loss. Insurers have access to a multitude of third-party sources to determine ownership and property values. Since the information collected on the form is no longer used, completing and collecting the form (which is required for both new and renewed insurance policies) creates a significant burden for both consumers and insurers.

OPPOSE Unfair, Deceptive, and Abusive Acts and Practices Expansion

Bill Number: A.7138 (Weinstein) and S.795 (Comrie)
Cosponsors: Assemblymember Levenberg
Current Status: In Assembly Rules Committee. In Senate Consumer Protection Committee.
Ask: Vote in opposition.

What it does: The proposed expansion of the law surrounding Unfair, Deceptive, and Abusive Acts and Practices (UDAAP), would significantly expand the scope of business conduct that is considered illegal, including subjective standards such as “likely to cause substantial injury”, and “takes unreasonable advantage of a person’s lack of understanding of the material risks, costs, or conditions of a product or service.” It provides for enforcement by the Attorney General and private lawsuits, with minimum damages of \$1,000, and mandatory attorney’s fees and court costs to a prevailing plaintiff.

Why it is bad for consumers: While well-intentioned, this bill will have significant unintended consequences. It creates powerful incentives for private litigation, which is likely to give rise to a wave of abusive “shakedown” lawsuits against businesses. This will harm the state’s economic recovery and put further pressure on the increasingly strained insurance market, driving up rates for businesses and consumers.

SUPPORT Stricter penalties for orchestrating staged auto accidents

Bill Number: A.6816 (Weprin) and S.7754-A (Breslin) – Staged auto accidents
Cosponsors: Assemblymembers Shimsky, Lucas, Glick, Ardila, Stern, Levenberg
Current Status: In Assembly Codes Committee. In Senate Codes Committee.
Ask: Assembly and Senate: Cosponsor and vote in support.

What it does: Imposes criminal penalties on those who recruit, hire, or otherwise direct others to engage in staged auto accidents.

Why it is good for consumers: On March 22, 2003, Alice Ross, a 71 year old grandmother, was killed as the result of a staged auto accident. These "accidents" are often arranged and intentionally committed by criminals who then file fraudulent insurance claims for fake crash injuries and rob insurance companies and their policyholders. While the economic cost of such activity is staggering with no-fault insurance fraud estimated to cost insurance companies and their policyholders \$1 billion per year, staged accidents also pose a serious public safety risk, as is demonstrated by the untimely death of Alice Ross. In 2019, New York state signed “Alice’s Law”

which criminalizes directly participating in a staged motor vehicle accident. This legislation builds on that important law by extending its provisions to individuals who “mastermind” fraud by directing or coercing others to participate in a staged accident scheme.

SUPPORT Stricter penalties for staged construction accidents

Bill Number: A.8981-A (Weprin) and S.8413-A (Breslin) – Staged construction accidents

Cosponsors: Assemblymembers Ardila, Hevesi, Hyndman, Lucas, Pretlow, Zebrowski, Lavine, Blumencranz, Benedett, McGowan, Dinowitz, Thiele, Dickens, Burgos, Gunther, Levenberg

Senators Borello, Lanza, Martins, Murray, O’Mara, Palumbo, Rolison, Sepúlveda

Current Status: In Assembly Codes Committee. In Senate Codes Committee.

Ask: Assembly and Senate: Cosponsor and vote in support.

What it does: Establishes the crime of staging a construction site accident which is a class E felony.

Why it is good for consumers: Staged construction accidents harm all New Yorkers. The workers involved in these schemes, sometimes unwittingly, may be harmed or coerced to undergo risky and even dangerous medical procedures. Fraudulent claims drive up costs to all insureds and taxpayers, delay the completion of important projects, and exacerbate the state’s already strained insurance market. They drain resources from fraud investigators and law enforcement. Recent reporting has revealed that staged accident fraud is on the rise, orchestrated by sophisticated criminal enterprises. Our current law is inadequate, and serious criminal penalties needed to deter this costly and dangerous crime.

SUPPORT Producer Licensing Reform

Bill Number: No bill number, to be introduced (Big I NY bill)

Cosponsors: TBD

Current Status: Soon to be introduced and referred to Insurance

Ask: Assembly and Senate: Cosponsor and vote in support once introduced.

What it does: This bill will combine insurance agent and insurance broker licenses into a single “insurance producer” license. The bill affects only the professional license held, not the specific legal duties of a producer when acting as either an agent or broker. It would not affect the total amount of continuing education required to maintain a license. New York is one of only 6 states which has separate licenses. The vast majority of states (44) have a “producer” license.

Why it is good for consumers: This bill will reduce paperwork burdens on agents and brokers, allowing them more time to focus on serving their customers. Furthermore it will simplify compliance, and reduce the possibility of an agent or broker selling without the appropriate license.