

**NEW YORK STATE
INSURANCE DEPARTMENT**

**REGULATION 159
(11 NYCRR 74)**

HOMEOWNER'S INSURANCE DISCLOSURE INFORMATION

I, Neil D. Levin, Superintendent of Insurance of the State of New York, pursuant to the authority granted by Sections 201, 301 and 3445 of the Insurance Law, do hereby promulgate the following new Part 74 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York, (Regulation 159), to take effect upon publication in the State Register to apply to policies issued or renewed on or after January 1, 1999, to read as follows:

All matter is new.

Section 74.0 Introduction and purpose.

(a) Chapter 44 of the Laws of 1998 enacted a new Section 3445 of the Insurance Law, requiring the Superintendent to establish by regulation disclosure requirements with respect to the operation of any deductible in a homeowner's insurance policy or dwelling fire personal lines policy which applies as the result of a windstorm. Further, Section 3445 requires such regulation to prescribe the form of a notice to be provided by an insurer to an insured and provides that the notice shall explain in clear and plain language the amount of the deductible, the circumstances under which the deductible applies and any other matters which the Superintendent, in his or her discretion, shall deem necessary or appropriate.

(b) The purpose of this Part is to set standards for the uniform display of windstorm deductibles, which consist of hurricane and non-hurricane deductibles, in the policy declarations; and to provide the minimum provisions to be contained in the policyholder disclosure notice, which will explain the purpose and operation of the hurricane deductible, and must accompany new and renewal policies containing such deductibles.

Section 74.1 Policyholder disclosure.

(a) Every homeowner's and dwelling fire personal lines policy containing a hurricane deductible shall display the applicable percentage amount and corresponding dollar amount of the hurricane deductible in the policy declarations. The non-hurricane deductible, as well as any deductible applicable to all other covered perils, may be shown as a dollar amount only. The hurricane deductible provisions shall be shown in close proximity to the non-hurricane deductible provisions and shall be given equal or greater prominence as the non-hurricane deductible provisions applicable to the policy.

(b) Every homeowner's and dwelling fire personal lines policy containing a hurricane deductible shall be accompanied by a policyholder notice, to be filed with the Insurance Department, and which shall contain the following minimum information:

(1) a prominent announcement that the accompanying policy is subject to a hurricane deductible;

(2) a clear explanation that a hurricane deductible means the amount for which the policyholder is responsible in the event of a covered loss caused by a hurricane;

(3) a plain-language explanation of the coverage part or parts subject to the hurricane deductible and of whether the hurricane deductible applies separately to each coverage part or in the aggregate to total losses under all affected coverage parts;

(4) a statement that a clear display of the actual dollar amount as well as a description of the hurricane deductible as a percentage of the insured value can be found on the declarations page;

(5) generic examples of how sample deductible amounts would apply to some theoretical loss scenarios, including losses smaller than and greater than the deductible amount;

(6) a clear explanation of the event which shall trigger the hurricane deductible;

(7) a clear explanation of the time period during which the hurricane deductible will be triggered; and

(8) a clear explanation that, if a coverage part limit of liability or policy limit of liability is changed (for example, due to contractual inflation protection provisions, adjustments reflecting changes in replacement cost or a request by the insured), then the dollar amount of the deductible will be changed based on the amount of the new limit of liability.

(c) This policyholder notice shall accompany all new homeowner's and dwelling fire personal lines policies subject to a hurricane deductible and first written to become effective on or after January 1, 1999; and all renewal homeowners and dwelling fire policies subject to a hurricane deductible renewed effective on or after January 1, 1999.

(d) This policyholder notice shall accompany all renewals of affected homeowner's and dwelling fire personal lines policies annually thereafter.

(e) At its option, an insurer may combine the flood insurance notice required by Section 3444 of the Insurance Law with the policyholder notice required by this subsection.

I, Neil D. Levin, Superintendent of Insurance of the State of New York, do hereby certify that the foregoing is 11 NYCRR 74 (Regulation 159), promulgated by me on March 5, 1999, pursuant to the authority granted by Sections 201, 301 and 3445, to take effect upon publication in the State Register for all policies issued on or after January 1, 1999.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed new part was published in the State Register on December 30, 1998. No other publication or prior notice is required by statute.

Neil D. Levin
Superintendent of Insurance

March 5, 1999

**NEW YORK STATE
INSURANCE DEPARTMENT**

**FIRST AMENDMENT TO REGULATION 159
(11 NYCRR 74)**

HOMEOWNERS INSURANCE DISCLOSURE INFORMATION AND OTHER NOTICES

I, Eric R. Dinallo, Superintendent of Insurance of the State of New York, pursuant to the authority granted by Sections 201, 301, 3425, 3445 and 5403 of the Insurance Law, do hereby promulgate the following First Amendment to Part 74 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulation 159) to take effect upon publication in the State Register to read as follows:

(Matter in bracket is deleted; new matter is underlined)

The Title of Part 74 is hereby amended as follows:

**[HOMEOWNER'S] HOMEOWNERS INSURANCE DISCLOSURE INFORMATION
AND OTHER NOTICES**

Section 74.0 is amended to read as follows:

Section 74.0 Introduction and purpose.

(a)(1) Chapter 44 of the Laws of 1998 enacted a new section 3445 of the Insurance Law, requiring the Superintendent to establish by regulation disclosure requirements with respect to the operation of any deductible in a [homeowner's] homeowners insurance policy or dwelling fire personal lines policy [which] that applies as the result of a windstorm. Further, section 3445 requires such regulation to prescribe the form of a notice to be provided by an insurer to an insured and provides that the notice shall explain in clear and plain language the amount of the deductible, the circumstances under which the deductible applies and any other matters which the Superintendent, in his or her discretion, shall deem necessary or appropriate.

[(b)] (2) [The purpose of this] This Part [is to set] sets standards for the uniform display of windstorm deductibles, which consist of hurricane and non-hurricane deductibles, in the policy declarations; and [to provide] provides the minimum provisions to be contained in the policyholder disclosure notice, which will explain the purpose and operation of the hurricane deductible, and must accompany new and renewal policies containing such deductibles.

(b)(1) Chapter 162 of the Laws of 2006 amended section 3425(e) of the Insurance Law to direct the Superintendent to establish by regulation standards for notices of cancellation, nonrenewal, and conditional renewal for certain homeowners

policies as defined in section 2351(a) of the Insurance Law where the property is located in an area served by a market assistance program established by the Superintendent for the purpose of facilitating placement of homeowners insurance. Chapter 162 also added a new section 5403(d), which directs the New York Property Insurance Underwriting Association (NYPIUA) to notify policyholders that may be eligible for coverage in the market assistance program of the availability of coverage.

(2) This Part establishes the minimum requirements pertaining to the notices required by Chapter 162.

New Sections 74.2 and 74.3 are added to read as follows:

Section 74.2 Insurer cancellation, nonrenewal and conditional renewal notices.

Every notice of cancellation, nonrenewal or conditional renewal issued on or after November 23, 2006 for a homeowners insurance policy as defined in section 2351(a) of the Insurance Law insuring property that may be eligible for participation in a market assistance program established by the Superintendent for the purpose of facilitating placement of homeowners insurance shall advise the insured of the availability of the market assistance program and the availability of coverage through NYPIUA for insurance. The notice shall be conspicuous and provide sufficient information on how to apply to the market assistance program and to NYPIUA, including the name, address, telephone number and Web site address of the administrator of the market assistance program and of NYPIUA.

Section 74.3 NYPIUA notices.

On and after November 23, 2006, with respect to a NYPIUA policyholder whose insured property is located in an area served by a market assistance program established by the Superintendent for the purposes of facilitating placement of homeowners insurance, upon issuance or renewal of the policy, NYPIUA shall provide the notice required by section 5403(d) of the Insurance Law and this section. The notice shall be conspicuous and provide sufficient information on how to apply to the market assistance program including the name, address, telephone number and Web site address of the administrator of the market assistance program.

I, Eric R. Dinallo, Superintendent of Insurance of the State of New York, do hereby certify that the foregoing is the First Amendment to Part 74 of Title 11 of the Official Compilation of Codes, Rules, and Regulations of the State of New York (Regulation No. 159), entitled "Homeowners Insurance Disclosure Information and Other Notices", promulgated by me on July 20, 2007, pursuant to the authority granted by 201, 301, 3425, 3445 and 5403 of the Insurance Law, to take effect upon publication in the State Register.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed amendment was published in the State Register on May 23, 2007. No other publication or prior notice is required by statute.

Eric R. Dinallo
Superintendent of Insurance

July 20, 2007