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**PIANY commends NYSID action to protect homeowners**

**GLENMONT, N.Y.**—Action taken today by the New York State Insurance Department was an important step to protect the state’s homeowners, according to the Professional Insurance Agents of New York State Inc.

Superintendent of Insurance Eric Dinallo told homeowners insurers they cannot nonrenew existing homeowners policies if they base the decision on the policyholder not having other coverage with the company, such as an auto or life insurance policy. The department also issued Circular Letter 11 (2007) explaining the legal basis for its action.

“In the middle of hurricane season, what we need is market stability,” said David Dickson, president of PIANY. “On behalf of our members and their customers, we commend the insurance department’s actions. Superintendent Dinallo has identified the lack of underwriting logic in these nonrenewals, as well as the unfair leverage they exert on the consumer.”

Dickson said a PIANY member survey conducted in downstate New York found that twice as many agents said their homeowners customers were experiencing more nonrenewals in June 2007 than in June 2006. Dickson met with Superintendent Dinallo and other top department officials in July to present the survey results.

“Allstate, with a quarter of the total market, started this destructive trend in January 2006 by announcing it would nonrenew a significant number of homes in eight downstate counties,” Dickson said. “Throwing such a large number of customers onto the street to seek new coverage impairs the ability of remaining companies to absorb new business. That’s why PIANY supports additional safeguards protecting policyholders against nonrenewal.”

PIANY supports legislation sponsored by Assemblyman Robert Sweeney, D-Lindenhurst, and Sen. Kenneth LaValle, R-Port Jefferson, who represent Suffolk County residents. The bill (S.2069/A.2678) would give the NYSID more authority to sign off on nonrenewal plans by homeowners insurers. Extra regulatory review would apply to companies that want to drop more than four percent of their customers in any given area over the space of a year.

“When a company starts to nonrenew a larger proportion of their customers than usual, these properties start competing with the normal number of new homes and newly purchased homes for insurers’ limited capacity to accept new business,” Dickson explained. “Given today’s challenges for home buyers and sellers, the last thing we need is churning in the insurance market.”

PIANY is a trade association representing professional, independent insurance agencies, brokerages and their employees throughout the state.