



## **PIANY'S 2016 LEGISLATIVE PRIORITIES**



**The Professional Insurance Agents of New York State Inc. represents insurance agents throughout New York state.** PIANY is a voluntary, membership-based trade association representing professional, independent property/casualty insurance agents.

**We are your neighbors providing valuable P/C insurance coverage to protect the homes, businesses and automobiles of the citizens of New York state.**

**PIANY serves member insurance agencies doing business in every New York community.** In every city, town and village, PIANY members are small-business owners who employ more than 20,000 insurance professionals, provide insurance for more than 2 million households and 750,000 businesses, governmental units and other organizations.

**PIANY's issues protect insurance consumers.** As in years past, PIANY's 2016 legislative issues serve to protect insurance consumers. They are:

### **State Insurance Fund—elimination of 30-day rule**

**Currently, New York state law requires policyholders to provide 30 days' advance written notice to the New York State Insurance Fund prior to canceling a policy—a requirement that is particularly onerous to New York's small businesses.** PIANY strongly advocates for legislative action to remove NYSIF's exemption from regulatory oversight. Legislation was introduced at the request of PIANY to repeal the requirement for policyholders to provide 30 days' notice to withdraw from the NYSIF. The bill (S.5250), sponsored by Sen. James L. Seward, R-51, and Assemblyman Kenneth P. Zebrowski, D-96, would establish a more-even playing field between the NYSIF and the admitted marketplace for workers' compensation insurance and to afford businesses the flexibility of being able to move their insurance policies to more competitive products without bearing excessive penalties. NYSIF is the largest single carrier of workers' compensation insurance in the state, with 40 percent of the market. Businesses with NYSIF policies face retaliatory actions when they seek to move their business from the fund to another coverage provider. This legislation would place NYSIF on a more-even footing with other insurers providing workers' compensation insurance by removing the requirement to provide it with 30 days' advance written notice to cancel their policy because they have found other coverage.



### **State Insurance Fund—competitive disadvantage/ payment of commissions**

**PIANY believes the New York State Insurance Fund should be licensed by the New York State Department of Financial Services and subject to the same requirements as other insurance companies providing workers' compensation insurance.** PIANY believes that NYSIF's exemption from licensing and other requirements of the Insurance Law should be repealed; and the superintendent of insurance should be required to approve the rules adopted by the NYSIF for the conduct of its business. PIANY also believes the NYSIF's continued reliance on the uncompensated services of licensed insurance producers is an issue of equity. It should be resolved by amending statutory rating provisions to provide compensation to the insured's broker of record.



### **Workers' compensation policyholder protections**

**PIANY believes that adding workers' compensation to the type of insurance protected under Section 3426 of the Insurance Law would offer better protection against cancellation and nonrenewal and offer longer notice prior to coverage termination.**

*(Continued on reverse)*

## CE/agent and business-entity licensing

PIANY supports reforming the laws and regulations to resolve the conflict and confusion associated with maintaining continuing-education credits for multiple licenses. Now that the transition to birthdate licensing (initiated in 2005) has been completed (in 2012), the issues that PIANY brought up in our original opposition memo [*Memorandum in opposition to: S.993-A/A.1923-A Budget Bill; Part F, 3/05*] has come to fruition. Namely, the difficulty that this change poses for individual licensees and their employers in securing the continuing-education credits that are necessary for license renewal—the change greatly reduces the efficiency of license renewal administration for agencies, brokerages and insurers with multiple licensees in their employ. Under the pre-birthdate licensing system, tracking the CE compliance status and license-renewal process for employees was a function that required significant time and attention at agencies, brokerages and insurance companies with multiple licensees. However, with a common license date, this process was at least predictable and routine, with well-established administrative duties, deadlines and expectations that everyone understood. The transition to individual birthdate renewal expirations caused the loss of the efficiencies enabled by mass renewals, and created continual monitoring, follow-up and compliance headaches for licensed entities. As a result, keeping track of CE compliance for as many as three licenses for each producer has become extremely involved and confusing, resulting in inadvertent noncompliance and in some cases necessitating licensees to take duplicative CE credits to correspond with overlapping license expirations.



## Coastal homeowners insurance—hurricane deductible trigger standardization

PIANY has long believed that reasonable standards for uniformity in the triggering and operation of hurricane windstorm deductibles for coastal homeowners must be established. Doing so would promote clear understanding of how the policy will respond while maintaining insurance carriers' ability to apportion hurricane risk between insurers and policyholders with freedom to adjust deductibles. Despite the display of deductible amounts in the policy declarations, the overwhelming majority of policyholders are unaware that different insurance companies have different windstorm *triggers*. It is the triggering event that will, ultimately, determine whether a windstorm deductible applies to a policyholder's loss; and, therefore, the windstorm trigger has substantial effect on out-of-pocket costs for homeowners. Standardization of these triggering events is needed now.

## Ride hailing/ride sharing

PIANY has been closely following the potential insurance gaps and pitfalls to riders and drivers inherent in the current legislative ride-hailing proposals, most obvious when drivers are logged onto ride-hailing apps, but have not yet been linked with a rider—creating serious potential gaps in coverage between personal automobile policies and Transportation Network Cos.' commercial coverage. During this time, multiple policies could be triggered when TNC drivers are logged into multiple TNC apps, leading to significant confusion and delays in claims payments. PIANY is advocating an extension of personal auto policy coverage until the time that a ride is accepted to avoid any coverage gaps. Recently, the Insurance Services Office Inc. issued coverage endorsements to facilitate this coverage onto the PAP. PIANY also is concerned with personal injury protection exclusions in the current legislation and the need for TNC policies to be issued by admitted carriers and approved by the New York State Department of Financial Services and, therefore, subject to the state guaranty fund. Ride hailing is expected to be a key issue when the state Legislature reconvenes in January.



## Scaffold law/tort reform

PIANY has long advocated for reform of New York's "Scaffold Law"—Labor Law Section 240/241 both independently and through our participation in the Lawsuit Reform Alliance of New York State. PIANY has supported legislation to establish a comparative negligence standard for claims under Labor Law Sections 240 and 241 with respect to a recalcitrant worker and to address the well-documented and substantial fiscal and social costs of frivolous lawsuits.