

Workplace Safety & Loss Prevention Program

Co-Sponsors: Assemblymembers McDonald, Stirpe, Hunter

Legislators:

- Please **SUPPORT** S.4757 (Brooks) and A.3547 (Zebrowski) to change the WSLPP payroll threshold from \$800,000 to \$1.2 million and to provide annual adjustments to this threshold to keep pace with inflation.

Bill Status:

- **Senate** - In Labor Committee; **Assembly** - In Labor Committee

Background:

- This was created in 1997 and requires that employers whose most recent payroll exceeds \$800,000 and whose experience mod exceeds \$1.2 million must undergo an extensive audit of safety practices and procedures.
- The payroll threshold has not been updated since 1997, so smaller employers are increasingly subject to this program and the costs associated with the consultation and evaluation, which can be substantial.
- The \$800,000 payroll threshold needs to be adjusted to reflect today's payroll costs, which would equate today to approximately \$1.2 million.

Why Support This Bill:

- This bill is necessary to preserve the original intent of the payroll threshold, which is to protect the state's small businesses from the substantial burdens associated with an ICR 59 compliance.

Workers Compensation - 30 Day Notice to Withdraw

Co-Sponsors: Senators Seward, Gallivan, & Jacobs

Legislators:

- Please **SUPPORT** S.3516 (Breslin), which would remove the 30-day notice requirement for a policyholder to withdraw from the New York State Insurance Fund if they have secured insurance with another carrier.

Bill Status:

- **Senate** - In Senate Insurance Committee; **Assembly** - Passed Assembly

Background:

- Under current law, policyholders must provide NYSIF with 30 days of advance written notice before canceling a policy.
- The NYSIF is the largest writer of WC policies in NY, with approximately 40% market share. Policyholders are not required to provide advance notice if they are withdrawing from a private insurer's WC policy.
- This disparity creates a barrier for businesses to switch carriers in order to obtain more competitive coverage.

Why Support This Bill:

- It will be easier for businesses to shop around for the best WC coverage for their needs.
- This legislation is necessary to provide a level playing field in the WC market.
- The rationale for the notice is that SIF requires a competitive advantage because it is the insurer of last resort. However, the need for an advantage is questionable as they are already the dominant player in the WC market. They also enjoy other competitive advantages, such as no commission expenses, no oversight by the DFS, and no requirement to file their Loss Cost Multiplier.

Auto Underwriting Practices - "End Bait and Switch"

Co-Sponsors: Senators Seward, Sanders, and Jordan; Assemblymember DiPietro

Legislators:

- Please **SUPPORT** S.3641 (Breslin) and A.7901 (Cahill), which would protect consumers from unfair underwriting practices by requiring carriers to run an insured's motor vehicle report prior to binding coverage.

Bill Status:

- **Senate** - In Senate Insurance Committee; **Assembly** - On Assembly Floor

Background:

- This bill would require verification of driving history when used as a rating or underwriting factor for private passenger motor vehicle insurance.
- No insurer who utilizes an applicant's driving history as a rating or underwriting factor for private passenger motor vehicle insurance in the state would be allowed to bind a policy, or accept a down payment for a policy, without first verifying said applicant's driving history, as well as the driving history of all named drivers listed by the applicant on the private passenger motor vehicle insurance application, through the use of a reliable third party database.

Why Support This Bill:

- This legislation is necessary to protect auto insurance consumers from unscrupulous pricing tactics used by some insurance carriers.
- Often, a carrier will advertise a low premium to attract customers, and bind coverage without verifying the insured's driving record. The carrier later runs the insured's record, resulting in an unexpected increase in premium.

Reform Auto Photo Inspection Requirement

Co-Sponsors: Assemblymembers Gunther, Galef, Bronson, Weprin, and Thiele

Legislators:

- Please **SUPPORT** A.2809 (Zebrowski), which would make the auto photo inspection requirement optional at the discretion of insurance carriers.

Bill Status:

- **Assembly** - In Assembly Insurance Committee

Background:

- Section 3411 of the Insurance Law requires that all motor vehicles must be inspected before comprehensive or collision coverage can be provided.
- The reports require a photo inspection that is conducted by either the agent or broker or a third party such as CARCO.
- This bill would allow carriers to waive the photo inspection requirement.

Why Support This Bill:

- This law was put in place 25 years ago, to reduce fraudulent physical damage claims. Since then, technological advances and new fraud fighting tools have rendered this requirement useless. Insurance companies no longer rely on these inspections and the reports are rarely, if ever used.
- The cost of these mandatory inspection reports is passed on to drivers in the form of higher premiums. Not only do drivers have to pay higher premiums but a driver can inadvertently lose physical damage coverage if the inspection is not completed within a time period specified in the law.
- This law is a burden to all three parties in the insurance transaction: insurers, customers, and agents.

Lead Paint Exposure Exclusions

Co-Sponsors: Assemblymembers Gottfried and Wright

Legislators:

- Please **OPPOSE** S.5183 (Ramos) / A.6062 (Ryan) which would prohibit insurers from excluding lead paint exposure coverage from rental liability coverage.

Bill Status:

- **Senate** - In Senate Insurance Committee; **Assembly** - On Floor Calendar

Background:

- This bill bans the use of lead paint exclusions by any NY-licensed carrier, effective 26 months after the bill is enacted.
- All previous lead exposure exclusions are void after 26 months of the bill becoming law.

Why Oppose This Bill:

- While well-intentioned, this bill will cause many significant issues. Forcing insurers to cover costly lead exposure claims will significantly increase the cost of rental property coverage and make it harder to obtain. Admitted carriers are not likely to offer this coverage, and customers will be forced to the non-admitted market.
- This proposal is fundamentally unfair, as the burdens will be borne most severely by renters who can least afford it.
- This proposal will create additional barriers to the expansion of low income housing.
- There are other ways to address the issue of lead paint, focusing on preventing exposure before harm is caused, such as:
 - Increase funding for lead poisoning prevention programs
 - Enforce stricter standards for lead paint maintenance by local government housing code agencies

Executive Budget Proposal

Legislators:

- Please **REJECT** Part NN of the Transportation, Economic Development, and Environmental Conservation (TED) bill in the Executive Budget, and do not include these proposals in the one-house budgets.

Bill Status:

- **The Senate & Assembly** are currently developing their one-house budget proposal.

Background:

- The proposed Executive Budget expands the DFS's authority to issue civil penalties for "unfair, deceptive, or abusive acts or practices."
- The DFS would no longer have to demonstrate that fraud or misrepresentation was "intentional" or that the misrepresentation was of a "material fact."
- Civil penalties by the DFS are increased from a maximum of \$5,000 to the greater of \$5,000, double the attributable damages of the offense, or double the economic gain attributable to the offense.
- The maximum penalty for insurance companies, agents, brokers, adjusters, or other licensed entities is who willfully violate the insurance law is increased from \$1,000 per occurrence to \$10,000 per occurrence.

Why Oppose This Bill:

- The rationale for this proposal is tenuous. The DFS and the Attorney General already have wide latitude to prosecute wrongdoing by financial institutions, and both routinely tout multi-million dollar settlements for unfair practices.
- Creating such a broad standard would allow the DFS to levy large fines on businesses who made a trivial mistake.
- Such a dramatic increase in penalties and fines is unfair and excessive for independent agents and brokers. Our average member agency is a small business with 7-8 employees. We are not multi-billion dollar financial institutions.