

QUESTION: What is the law regarding conditional renewal notice sent out on Homeowners policies that will be renewing with increases? Specifically, 25% or more?

ANSWER: New York law does not require an insurer to send a conditional renewal notice on the renewal of a homeowners policy for an increase in premium.

[Section 3425 of the New York Insurance Law](#), titled Certain property/casualty insurance policies; cancellation and renewal provisions; agents' contracts and brokers' accounts, states:

(a) This section shall apply to **covered policies of insurance** as defined in paragraphs one, two and three hereof. ...

(2) **"Covered policy"** also means a contract of insurance, referred to in this section as "personal lines insurance," other than a contract of insurance defined in paragraph one hereof, issued or issued for delivery in this state, on a risk located or resident in this state, **insuring any of the following contingencies:**

(A) **loss of or damage to real property used predominantly for residential purposes** and which consists of not more than four dwelling units, other than hotels and motels;

(B) **loss of or damage to personal property in which natural persons have an insurable interest**, except personal property used in the conduct of a business; and

(C) **other liabilities for loss of, damage to, or injury to persons or property, not arising from the conduct of a business**, when a natural person is the named insured under the policy.

(d)(1) **Unless the insurer, at least forty-five but not more than sixty days in advance of the end of the policy period, mails or delivers to the named insured, at the address shown in the policy, a written notice of its intention not to renew a covered policy, or to condition its renewal upon change of limits or elimination of any coverages, the named insured shall be entitled to renew the policy upon timely payment of the premium billed to the insured for the renewal.** The specific reason or reasons for nonrenewal or conditioned renewal shall be stated in or shall accompany the notice.

A homeowners policy is a "covered policy" under paragraph (a)(2) in the law. The law requires an insurer to provide a conditional renewal notice on the renewal of a covered policy 45 to 60 days before expiration for change of limits or elimination of any coverages. Those are the only two reasons for which they must give advance notice. It is legal (not necessarily right, but legal) for them to issue a renewal with a 25% increase without advance notice.