



Date: July 1, 2025

To: Ms. Joana Lucashuk

From: Travis Wattie, Assistant Vice President of Government Relations

RE: New York State Department of Financial Services Proposed Rulemaking: Hurricane Deductible Requirements and Disclosure Information and Other Notices (I.D. No. DFS-18-25-00001-P)

Chapter 460 of the Laws of 2024 directed the Superintendent to establish standards for hurricane deductibles that create, to the greatest extent possible, uniformity in the operation of such deductibles with respect to the triggering event. While insurance policy definitions can and do vary, the presence of multiple hurricane deductible definitions is particularly challenging. There are currently more than 100 different hurricane deductible definitions used by insurance carriers. Variations with respect to landfall, timing, meteorological authority, and other weather-related items can be difficult to understand and compare between policies.

In advance of the proposed rule, Big I New York urged the Department of Financial Services (DFS) to draft a commonsense regulation that supports consumers and the insurance marketplace through clarity, choice, and competition. We believe this proposal strikes a balance between establishing a more uniform hurricane deductible trigger and allowing consumers the choice to secure a policy that suits their risk tolerance.

Clarity and Consistency

The proposed rule standardizes several hurricane deductible components in a way that enhances clarity for consumers during the purchasing process and, equally as important, during the claims process following a hurricane. Those components include:

- Hurricane
- Hurricane Category
- Hurricane Deductible
- Hurricane Warning
- Hurricane Watch
- Landfall
- Meteorological Entity
- Proximity to Coastline

Establishing these components in regulation will help consumers compare insurance policies offered by different carriers and ensure consistency in the application of hurricane deductibles in the event of a storm. Current deductible triggers use a variety of variables that can create



confusion for consumers in a storm's aftermath about how their policy applies. We support the proposed uniformity.

Choice and Competition

We believe the proposed rule offers choice to consumers and creates competition among carriers by permitting a hurricane deductible trigger to be based in part on "hurricane category". Section 74.1 is amended by defining a hurricane category as a one to five rating on the Saffir-Simpson Hurricane Wind Scale as determined by the meteorological entity. Section 74 is further amended to require a clear explanation of the "hurricane category" that shall trigger the hurricane deductible.

It is our reading of this amendment that a carrier may offer consumers a choice of hurricane category (i.e. Category 1, 2, 3, 4, 5). This approach will allow them to shop for and choose a category trigger that best meets their level of risk tolerance.

For example, a consumer may opt for a potentially reduced premium by selecting a lower "hurricane category" that would trigger the hurricane deductible. Alternatively, a consumer could opt for a potentially higher premium for a higher "hurricane category" trigger to reduce the risk of activating the hurricane deductible. Similarly, insurance carriers may be able to offer more competitive insurance options by tailoring their products based on "hurricane category".

Greater uniformity with respect to hurricane deductibles is important due to the nature of storms affecting properties in a contained geographic area. Such explicit policy standardization, however, should be the exception. Insurance policy innovation, carrier competition, and consumer choice are essential to a healthy insurance marketplace. This proposed rule strikes that balance.

We thank the DFS for their proactive approach to gathering feedback from insurance agents, brokers, and carriers in drafting this thoughtful proposal. We remain open to additional conversation with the DFS as you promulgate the final hurricane deductible rule.

Big I NY is New York's leading association representing independent insurance agents and brokers, representing over 1,450 agencies and their 13,000 employees. We believe independent insurance agents serve customers best with trusted advice and the right coverage options to protect what matters most.