



# LEGISLATIVE POSITION

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## **New Flood Insurance Notice Law Chapter 21 of the Laws of 2008**

### LAWS OF NEW YORK, 2008 CHAPTER 21

An act to amend the Insurance Law, in relation to flood insurance notice.

Became a law March 4, 2008, with the approval of the governor.  
Passed by a majority vote, three-fifths being present.

PIA has long maintained that because property insurance policies don't cover damage from "flooding," a term that includes the tidal inundation and wave action from hurricanes and other storms, the New York law requiring homeowners insurers to provide only a one-time notice telling new policyholders they can get flood coverage from the National Flood Insurance Program was insufficient. We pointed to incidences in recent years where many areas of the state experienced devastating floods, heightening public awareness of the danger and insurance issues that flooding poses.

Now, because of the hard work of our sponsors, Senator Libous and Assemblyman Gunther, as well as the hard work and staunch support of Assemblywoman Donna Lupardo, homeowners will be made more aware of substantial unprotected exposure from flooding through an annual notice by homeowners insurance companies. This important new law will prompt reconsideration of the need for flood coverage each year and represents an important consumer protection.

Thanks to our champions, this new law will facilitate better educated insurance consumers regarding coverage options—not at the expense of our company partners, but in the belief that ensuring appropriate coverage for all New Yorkers will benefit everyone. Maximum transparency in disclosing policy benefits and exclusions will result in fewer coverage gaps, reducing consumer complaints and preventing unnecessary litigation.

**PIANY congratulates and thanks the sponsors and supporters of this new law to provide an annual reminder to homeowners that their regular homeowners policy will not pay for flooding.** The notice also gives information on the National Flood Insurance Program, which does cover these losses.