

A5015 Perry Same as [S 4276](#) GOLDEN

Insurance Law

TITLE....Relates to the use of local cost data when adjusting claims

02/10/15 referred to insurance

05/19/15 reported

05/21/15 advanced to third reading cal.414

06/10/15 passed assembly

06/10/15 delivered to senate

06/10/15 REFERRED TO INSURANCE

06/11/15 SUBSTITUTED FOR S4276

06/11/15 PASSED SENATE

06/11/15 RETURNED TO ASSEMBLY

11/10/15 delivered to governor

11/20/15 vetoed memo.228

11/20/15 tabled

VETO MESSAGE - No. 228

TO THE ASSEMBLY:

I am returning herewith, without my approval, the following bill:

Assembly Bill Number 5015, entitled:

"AN ACT to amend the insurance law, in relation to use of local cost data when adjusting claims"

NOT APPROVED

This bill would amend the Insurance Law to require insurers and adjusters to adjust claims made under homeowner policies using cost data that is appropriate for the state in which the loss or damage occurred.

While ensuring that insurers and adjusters use appropriate cost data when adjusting real property claims is an important policy goal, this bill is duplicative of Insurance Regulation 64, which already provides that when no dispute as to coverage exists, it is the duty of every insurer to offer claimants amounts that are "fair and reasonable." The Department of Financial Services (DFS) has interpreted "fair and reasonable" to require insurers to use cost data for the region of New York where the real property is located, and DFS is committed to using enforcement powers to respond to any claimant that demonstrates otherwise. For these reasons, I am constrained to veto this bill.

Nevertheless, I am directing DFS to work with advocates and legislators to ensure that the agency's regulations protect against the application of out-of-state cost data when adjusting claims on real property.

The bill is disapproved.

(signed) ANDREW M. CUOMO
