



Summary of S9281 (Skoufis) – Property Insurance Rates/Premium Increase Explanations

Section 1

- Requires prior approval for:
 - Commercial property insurance
 - Commercial general liability insurance
 - Personal residential property insurance

Section 2

- Requires insurers writing personal lines to include the amount a premium will increase from a prior policy period, and an explanation of why the increase occurred on the premium bill or declarations page, including primary rating factors and the material changes which caused the insurer to request a rate increase. **Same as TED BB**
 - Unlike TED Part BB, there is no percentage threshold in which this applies. If rates go up **by any percentage** a notice is required under the provisions.
 - Also unlike TED Part BB, there is no requirement for insureds to request a written explanation or for the carrier to respond within 20 days.

Section 3

- Requires homeowner insurers who had average annual gross written homeowners' insurance premiums in this state of at least 10 million dollars for the previous two years to refile their rates with DFS, for prior approval, if the insurer had a loss ratio below specific regulated levels for the prior two calendar years within 60 days of filing their annual statement. **Same as TED CC**
- It would further look into insurers investment returns for the previous two calendar years, and if it is above the benchmark for investment returns, DFS shall require a rate reduction and determine the amount upon reviewing such filing.
- The bill would mandate that the Superintendent of DFS conduct a study to analyze and determine a benchmark loss ratio and benchmark for investment returns for homeowners' insurance companies within one year of the effective date. **Same as TED CC, but with the addition of the investment return benchmark.**