Dropped by your insurer? Information for New York residents

If your home insurance company notifies you that they’re dropping you, you will either get a non-renewal notice or a cancellation notice. If you get a non-renewal notice, it means the insurer has decided not to sell you a new policy when the current one expires. If you get a cancellation notice, it means the insurer is dropping you as a customer before your current policy expires. Two different scenarios. Both can be unpleasant and time-consuming to deal with. The rules that apply to non-renewals and cancellations are different, but the impact on you is the same: Non-renewed or canceled means you need to replace that insurance safety net ASAP.

In either scenario, your first step should be to contact that insurer and ask them to reconsider. They may say yes, but only if you agree to put on a new roof, or clear more brush from around the home, etc. They may say no. If they say no, and they gave you the 45-day notice your state requires for a non-renewal to stick, start shopping right away for a replacement policy and don’t panic.

Switching to a new insurer can have advantages: By working with an experienced local agent and comparison shopping online, you may end up with better coverage at the same or even a better price. Lesser known insurers can be financially healthy and offer good protection. But you do need to research their financial health and do your best to compare coverage, limits, exclusions, and deductibles as well as price.

If you live in a coastal area, such as Long Island, your options are more limited, and you may end up with less coverage at a higher price. Find the best option, lock in a policy then continue to check in from time to time on new options. Chances are your replacement policy will be more expensive and the brand name may not be familiar. You may have only one choice, but one is better than none.

If you need shopping help, contact a local, experienced and reputable agent or broker. Review our tips on hiring a good one. If you feel you’ve been non-renewed or cancelled unfairly, contact the New York Department of Financial Services (“NYDFS”). They can help you get information from your current...
The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

Source: https://uphelp.org/claim-guidance-publications/dropped-by-your-insurer-information-for-new-york-residents/ Date: August 22, 2022
- Are Building Code upgrades covered?
- Does the policy pay Replacement value or Actual Cash Value?
- Does the policy limit payment for mold and water damage, and if so, how?
- How long will ALE/Loss of Use benefits be payable?

As a last resort, New York also offers a basic FAIR Plan through the New York Property Insurance Underwriting Association (www.nypiua.com or (212) 208-9700). Please notify UP if you have trouble finding affordable coverage for your property by emailing info@uphelp.org, asking a question on our Ask-an-Expert ForumTM, or by calling our office at 415-393-9990.

FLOOD INSURANCE: The information above does not pertain to flood insurance policies issued through the National Flood Insurance Program, which are governed by federal law. (www.floodsmart.gov).