

STATE OF NEW YORK

8519--A

R. R. 637

2017-2018 Regular Sessions

IN ASSEMBLY

June 18, 2017

Introduced by M. of A. MORELLE -- read once and referred to the Committee on Insurance -- reported and referred to the Committee on Rules -- amended on the special order of third reading, ordered reprinted as amended, retaining its place on the special order of third reading

AN ACT to amend the insurance law, in relation to limits on certain supplementary insurance; and providing for the repeal of such provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subsection (f) of section 3420 of the insurance law is
2 amended by adding a new paragraph 2-a to read as follows:

3 (2-a) (A) Notwithstanding paragraph two of this subsection, this para-
4 graph shall apply to any new insurance policy or contract entered into
5 after the effective date of this paragraph. This paragraph shall not be
6 deemed to apply to any policies originally entered into prior to the
7 effective date of this paragraph, but renewed after the effective date
8 of this paragraph. Any new insurance policy or contract entered into
9 after the effective date of this paragraph shall, at the option of the
10 insured, also provide supplementary uninsured/underinsured motorists
11 insurance for bodily injury, in an amount equal to the bodily injury
12 liability insurance limits of coverage provided under such motor vehicle
13 liability insurance policy; provided, however, that any named insured
14 may exercise the choice to decline such supplementary
15 uninsured/underinsured motorists insurance or select a lower amount of
16 coverage through a written waiver signed, or electronically signed, by
17 such insured, subject to the requirements of subparagraph (B) of this
18 paragraph. Supplementary uninsured/underinsured motorists insurance
19 shall provide coverage, in any state or Canadian province, if the limits
20 of liability under all bodily injury liability bonds and insurance poli-
21 cies of any other motor vehicle liable for damages are in a lesser
22 amount than the bodily injury liability insurance limits of coverage

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 provided by such policy. Upon written request by any insured covered by
2 supplemental uninsured/underinsured motorists insurance or his duly
3 authorized representative and upon disclosure by the insured of the
4 insured's bodily injury and supplemental uninsured/underinsured motor-
5 ists insurance coverage limits, the insurer of any other owner or opera-
6 tor of another motor vehicle against which a claim has been made for
7 damages to the insured shall disclose, within forty-five days of the
8 request, the bodily injury liability insurance limits of its coverage
9 provided under the policy or all bodily injury liability bonds. The time
10 of the insured to make any supplementary uninsured/underinsured motorist
11 claim, shall be tolled during the period the insurer of any other owner
12 or operator of another motor vehicle that may be liable for damages to
13 the insured, fails to so disclose its coverage. As a condition precedent
14 to the obligation of the insurer to pay under the supplementary
15 uninsured/underinsured motorists insurance coverage, the limits of
16 liability of all bodily injury liability bonds or insurance policies
17 applicable at the time of the accident shall be exhausted by payment of
18 judgments or settlements.

19 (B) In addition to the notice provided, upon issuance of a policy of
20 motor vehicle liability insurance pursuant to regulations promulgated by
21 the superintendent, insurers shall notify insureds, in writing, of the
22 availability of supplementary uninsured/underinsured motorists coverage.
23 Such notification shall contain an explanation of supplementary
24 uninsured/underinsured motorists coverage and the amounts in which it
25 can be purchased. Subsequently, a notification of availability shall be
26 provided at least once a year and may be simplified pursuant to regu-
27 lations promulgated by the superintendent, but must include a concise
28 statement that supplementary uninsured/underinsured motorists coverage
29 is available, an explanation of such coverage, and the coverage limits
30 that can be purchased from the insurer. If an insured elects to reject
31 supplementary uninsured/underinsured motorist coverage or select a lower
32 amount of supplementary uninsured/underinsured motorist coverage than
33 the bodily injury liability insurance limits of coverage provided under
34 the insured's motor vehicle liability insurance policy, the selection of
35 lower supplementary uninsured/underinsured motorists coverage or
36 rejection of such coverage must be made on a written or electronic form
37 provided to the named insured. Such form shall also advise that such
38 coverage is equal to the insured's bodily injury liability limits under
39 the motor vehicle liability insurance policy unless lower limits are
40 requested or the coverage is rejected.

41 (i) The form shall be in at least 12-point bold type and shall state:
42 "SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS COVERAGE (SUM COVERAGE)
43 PROVIDES INSURANCE PROTECTION FOR ANY PERSON INCLUDED AS INSURED UNDER
44 YOUR POLICY IF HE OR SHE IS INJURED IN AN ACCIDENT INVOLVING ANOTHER
45 MOTOR VEHICLE WHOSE OWNER OR OPERATOR WAS NEGLIGENT BUT WHO HAS EITHER
46 NO BODILY INJURY OR LIABILITY INSURANCE, OR LESS THAN THE INSURANCE YOU
47 CARRY. SUM COVERAGE SHALL BE EQUAL TO THE LEVEL OF THE BODILY INJURY
48 LIABILITY COVERAGE OF YOUR MOTOR VEHICLE LIABILITY INSURANCE POLICY
49 UNLESS YOU SIGN A WAIVER REQUESTING LOWER COVERAGE OR DECLINING THE
50 COVERAGE. YOU ARE URGED TO CAREFULLY CONSIDER THIS DECISION."

51 (ii) An insured's written waiver shall apply to all subsequent
52 renewals of coverage and to all policies or endorsements which extend,
53 change, supersede, or replace an existing policy issued to the named
54 insured, unless changed in writing by any named insured.

1 (iii) the selection of lower supplementary uninsured/underinsured
2 motorists coverage or the rejection of such coverage by any one named
3 insured shall be binding upon all insureds under such policy.

4 (C) Notwithstanding the provisions of subparagraph (A) of this para-
5 graph, at the insurer's option, the insured's supplementary
6 uninsured/underinsured motorists coverage limit may be required to equal
7 the insured's bodily injury liability insurance limit under the motor
8 vehicle liability insurance policy.

9 (D) An insurer may provide the coverage described in this paragraph
10 available in an umbrella or excess liability policy if the umbrella or
11 excess liability policy expressly provides such coverage.

12 § 2. This act shall take effect on the one hundred eightieth day after
13 it shall have become a law, and shall apply to new insurance policies
14 and contracts issued on and after such effective date and shall expire
15 and be deemed repealed June 30, 2020.