

STATE OF NEW YORK

5718--A

2023-2024 Regular Sessions

IN ASSEMBLY

March 22, 2023

Introduced by M. of A. KELLES, FAHY, LEVENBERG, GONZALEZ-ROJAS, ARDILA, McMAHON, OTIS, BRONSON, LUNSFORD, EPSTEIN, CLARK, SHRESTHA, BURDICK, REYES, CONRAD, SHIMSKY, STIRPE -- Multi-Sponsored by -- M. of A. SIMON -- read once and referred to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law and the vehicle and traffic law, in relation to owner's policies of liability insurance issued by a risk retention group not chartered within this state

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

Section 1. Section 5913 of the insurance law, as added by chapter 109 of the laws of 1988, is amended to read as follows:

§ 5913. Financial responsibility. [~~Wherever~~] Except as provided in section three hundred eleven of the vehicle and traffic law, wherever pursuant to the laws of this state or any political subdivision of this state a demonstration of financial responsibility is required as a condition for obtaining a license or permit to undertake specified activities, if any such requirement may not be satisfied by obtaining insurance coverage from an insurer not authorized to do business in this state, such requirement may not be satisfied by purchasing insurance from a risk retention group not chartered in this state.

§ 2. Paragraphs (b) and (c) of subdivision 4 of section 311 of the vehicle and traffic law, paragraph (c) as amended by chapter 200 of the laws of 1974, are amended to read as follows:

(b) In the case of a vehicle registered in this state, a policy issued by (i) an insurer duly authorized to transact business in this state or (ii) a risk retention group not chartered in this state but which is registered with the superintendent under the federal liability risk retention act of 1986, comprised entirely of organizations to which contributions are eligible for deduction under section 501(c)(3) of the

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

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1 federal internal revenue code and which qualifies as a charitable risk
2 pool under section 501(n) of the federal internal revenue code; or

3 (c) In the case of a vehicle lawfully registered in another state, or
4 in both this state and another state, [~~either~~] (i) a policy issued by an
5 authorized insurer, or (ii) a risk retention group not chartered in this
6 state but which is registered with the superintendent under the federal
7 liability risk retention act of 1986, comprised entirely of organiza-
8 tions to which contributions are eligible for deduction under section
9 501(c)(3) of the federal internal revenue code and which qualifies as a
10 charitable risk pool under section 501(n) of the federal internal reven-
11 ue code, or (iii) a policy issued by an unauthorized insurer authorized
12 to transact business in another state if such unauthorized insurer files
13 with the commissioner in form to be approved by him a statement consent-
14 ing to service of process and declaring its policies shall be deemed to
15 be varied to comply with the requirements of this article; and

16 § 3. The opening paragraph of subdivision 5 of section 311 of the
17 vehicle and traffic law, as amended by chapter 569 of the laws of 1981,
18 is amended to read as follows:

19 The term "certificate of insurance" shall mean any evidence issued by
20 or on behalf of an insurance company duly authorized to transact busi-
21 ness in this state, or risk retention group authorized to issue an
22 owner's policy of liability insurance pursuant to this section, stating
23 in such form as the commissioner may prescribe or approve that such
24 company or such risk retention group has issued an owner's policy of
25 liability insurance on the motor vehicle or vehicles designated therein.
26 Such certificate shall contain information as required by the commis-
27 sioner including at least the following except as otherwise provided:

28 § 4. Subdivision 10 of section 311 of the vehicle and traffic law, as
29 amended by chapter 103 of the laws of 1972, is amended to read as
30 follows:

31 10. "Insurance Identification Card" shall mean a card issued by or on
32 behalf of an insurance company or bonding company duly authorized to
33 transact business in this state, or risk retention group authorized to
34 issue an owner's policy of liability insurance pursuant to this section,
35 stating in such form as the commissioner may prescribe or approve that
36 such company or such risk retention group has issued an owner's policy
37 of liability insurance or a financial security bond on the motor vehicle
38 or vehicles designated therein. Such card shall contain such information
39 and shall be valid during such period as may be prescribed by the
40 commissioner. If an owner shall have filed a financial security deposit,
41 or shall have qualified as a self-insurer under section three hundred
42 sixteen of this [~~chapter~~] article, the term "insurance identification
43 card" shall mean a card issued by the department which evidences that
44 such deposit has been filed or that such owner has so qualified.

45 § 5. This act shall take effect immediately.