

STATE OF NEW YORK

8174

2025-2026 Regular Sessions

IN SENATE

May 19, 2025

Introduced by Sen. MARTINEZ -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to direct reimbursement of certain local educational agencies for claims of violations of the child victims act

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

1 Section 1. The insurance law is amended by adding a new section 7438
2 to read as follows:

3 § 7438. Direct reimbursement of local educational agencies by the
4 liquidation bureau for certain monetary liabilities. (a) Any local
5 educational agency that is found subject to liability or enters into a
6 settlement agreement for monetary penalties as a result of a claim or
7 claims brought against them pursuant to the provisions of the child
8 victims act set forth in chapter eleven of the laws of two thousand
9 nineteen which extended certain statutes of limitations for victims of
10 child abuse, and that: (1) provides evidence that such school district
11 had insurance coverage at the time the incident occurred for which such
12 claim is based that would cover liability for such claim; and (2) shows
13 that such insurance company that provided such coverage at such time is
14 now insolvent, shall be authorized to make application to the liqui-
15 ation bureau to cover the cost of such monetary liability resulting
16 from such claims.

17 (b) Upon a satisfactory showing by a school district of meeting the
18 requirements set forth in subsection (a) of this section, the liqui-
19 ation bureau shall cover the cost of such monetary liability in full.

20 (c) The department shall promulgate policies and procedures to imple-
21 ment the provisions of this section.

22 § 2. This act shall take effect on the one hundred eightieth day after
23 it shall have become a law.

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

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