

# STATE OF NEW YORK

9134

## IN SENATE

February 5, 2026

Introduced by Sen. COONEY -- 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 default insurance

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

1 Section 1. Subsection (a) of section 1113 of the insurance law is  
2 amended by adding a new paragraph 36 to read as follows:

3 (36) "Default insurance" means insurance providing first-party indem-  
4 nity to a named insured for losses, costs, and expenses sustained by the  
5 named insured arising from a third party's material failure, as deter-  
6 mined by the named insured, to perform a binding agreement executed by  
7 the named insured and such third party, where the third party is not an  
8 insured or beneficiary and has no rights under the policy.

9 § 2. This act shall take effect on the first of January next succeed-  
10 ing the date on which it shall have become a law and shall apply to all  
11 policies and contracts issued, renewed, modified, altered, or amended on  
12 or after such date. Effective immediately, the addition, amendment  
13 and/or repeal of any rule or regulation necessary for the implementation  
14 of this act on its effective date are authorized to be made and  
15 completed on or before such date.

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

LBD14660-01-6