

11510

I N A S S E M B L Y

June 18, 2010

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Zebrowski)
-- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to expanding the description of unfair insurance claim settlement practices

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraphs 5 and 6 of subsection (a) of section 2601 of the
2 insurance law, paragraph 5 as amended by chapter 547 of the laws of 1997
3 and paragraph 6 as amended by chapter 388 of the laws of 2008, are
4 amended and two new paragraphs 7 and 8 are added to read as follows:
5 (5) compelling policyholders to institute suits to recover amounts due
6 under its policies by offering substantially less than the amounts ultimately
7 recovered in suits brought by them; [or]
8 (6) failing to promptly disclose coverage pursuant to subsection (d)
9 or subparagraph (A) of paragraph two of subsection (f) of section three
10 thousand four hundred twenty of this chapter;
11 (7) PROVIDING COMPENSATION OR INCENTIVES OF ANY KIND TO EMPLOYEES TO
12 PROMOTE THE DENIAL OF CLAIMS OR THE CANCELLATION OF AN INSURANCE POLICY;
13 OR
14 (8) ESTABLISHING QUOTAS FOR EMPLOYEES FOR THE DENIAL OF CLAIMS OR
15 CANCELLATION OF POLICIES.
16 S 2. This act shall take effect immediately.

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

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