S T A T E O F N E W Y O R K

534

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. DINOWITZ, HOOPER -- Multi-Sponsored by -- M. of A. BRENNAN, GOTTFRIED, JACOBS, SWEENEY, WEISENBERG -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to restricting insurers from demanding intrusive personal, financial and tax information from insureds as a standard practice in processing ordinary theft claims

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

Section 1. The insurance law is amended by adding a new section 2616 to read as follows:

S 2616. INTRUSIVE REQUESTS FOR PERSONAL, FINANCIAL AND TAX INFORMATION; ORDINARY THEFT CLAIMS. (A) IT SHALL BE AN UNFAIR CLAIM SETTLEMENT ACT OR PRACTICE UNDER PARAGRAPHS THREE AND FOUR OF SUBSECTION (A) OF SECTION TWO THOUSAND SIX HUNDRED ONE OF THIS ARTICLE FOR AN INSURER, IN THE COURSE OF INVESTIGATING OR SETTLING A THEFT CLAIM, TO DEMAND OF ITS INSURED PERSONAL, FINANCIAL AND TAX INFORMATION UNLESS SPECIAL ARTICULABLE CIRCUMSTANCES HAVE BEEN DISCOVERED WHICH DIRECTLY RELATE TO THE PARTICULAR INDIVIDUAL FACTS OF SUCH THEFT AND WHICH WARRANT THE MAKING OF SUCH DEMAND FOR THE SPECIFIC PURPOSE OF DETERMINING IF SUCH CLAIM IS FRAUDULENT.

(B) AS USED IN THIS SECTION, A DEMAND FOR PERSONAL, FINANCIAL AND TAX INFORMATION IS A DEMAND THAT ANY OF THE FOLLOWING MATERIAL OR INFORMATION BE PROVIDED:

(1) COPIES OF THE INSURED'S PERSONAL AND BUSINESS TAX RETURNS;

(2) PERMITS OR LICENSES WHICH THE INSURED HOLDS IN NEW YORK STATE OTHER THAN THOSE FOR OPERATING A MOTOR VEHICLE;

(3) LOAN APPLICATIONS WHICH THE INSURED FILED;

(4) STATEMENT SETTING FORTH THE COUNTY AND STATE IN WHICH THE INSURED HAS BEEN REGISTERED TO VOTE OVER A PERIOD OF TIME, OTHER THAN FROM HIS OR HER PRESENT RESIDENCE;

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

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(5) COPIES OF ANY BANK STATEMENTS OF BANKS IN WHICH THE INSURED HAS ACCOUNTS;

(6) COPIES OF ANY "DOING BUSINESS AS" CERTIFICATES OR CERTIFICATES OF INCORPORATION FOR ANY BUSINESS THE INSURED OWNS; OR

(7) INFORMATION OR MATERIAL OF A SIMILAR PERSONAL, FINANCIAL, TAX OR PRIVATE NATURE WHICH THE SUPERINTENDENT BY REGULATION FINDS TO BE INTRUSIVE OR WHICH CONSTITUTES AN UNWARRANTED INVASION OF PRIVACY IN THE CONTEXT OF A STANDARD OR ORDINARY THEFT CLAIM.

S 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law, provided, however, that effective immediately, the addition, amendment and/or repeal of any rules or regulations necessary for the implementation of the foregoing section of this act on its effective date are authorized and directed to be made and completed on or before such effective date.