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

7378

2009-2010 Regular Sessions

I N A S S E M B L Y

April 2, 2009

Introduced by M. of A. BING, KELLNER, LANCMAN, CASTRO, COOK, JAFFEE, REILLY -- Multi-Sponsored by -- M. of A. BARRON, WEISENBERG -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to requiring insurers to recognize any licensed broker or agent retained by the insured for the remainder of a policy

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

Section 1. This act shall be known and may be cited as the "insurance consumer free choice act".

S 2. The insurance law is amended by adding a new section 2506 to read as follows:

S 2506. RECOGNITION OF A NEW YORK STATE LICENSED BROKER OR AGENT. 1. AN INSURER IS REQUIRED TO RECOGNIZE ANY NEW YORK STATE LICENSED BROKER OR AGENT RETAINED BY THE INSURED FOR THE PURPOSE OF REPRESENTING THE INSURED FOR THE REMAINDER OF AN INSURANCE POLICY AND MUST EXECUTE ANY CHANGES DESIRED BY THE INSURED AS IT WOULD HAVE DONE FOR THE PLACING BROKER OR AGENT.

2. ALL COMMISSIONS GENERATED DURING THE POLICY TERM SHALL ACCRUE TO THE BROKER OR AGENT WHO PLACED THE POLICY.

3. THE INSURER MAY GIVE LEGAL NOTICE NOT TO RENEW THE POLICY UPON THE EXPIRATION OF SUCH POLICY. NOTHING HEREIN SHALL REQUIRE THE INSURER TO RECOGNIZE OR NEGOTIATE A NEW POLICY WITH SUCH BROKER OR AGENT UPON THE EXPIRATION OF THE POLICY.

S 3. 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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