

8798

2009-2010 Regular Sessions

I N A S S E M B L Y

June 9, 2009

Introduced by M. of A. MORELLE -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to the arbitration of no-fault insurance claims

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

1 Section 1. Subsections (a) and (b) of section 5106 of the insurance
2 law, subsection (b) as amended by chapter 452 of the laws of 2005, are
3 amended to read as follows:
4 (a) Payments of first party benefits and additional first party bene-
5 fits shall be made as the loss is incurred. Such benefits are overdue
6 if not paid within thirty days after the claimant supplies proof of the
7 fact and amount of loss sustained. If proof is not supplied as to the
8 entire claim, the amount which is supported by proof is overdue if not
9 paid within thirty days after such proof is supplied. All overdue
10 payments shall bear interest at the rate of [two] ONE percent per month.
11 If a valid claim or portion was overdue, the claimant shall also be
12 entitled to recover his attorney's reasonable fee, for services neces-
13 sarily performed in connection with securing payment of the overdue
14 claim, subject to limitations promulgated by the superintendent in regu-
15 lations.
16 (b) [Every insurer shall provide a claimant with the option of submit-
17 ting any dispute] ALL DISPUTES involving the insurer's liability to pay
18 first party benefits, or additional first party benefits, the amount
19 thereof or any other matter which may arise pursuant to subsection (a)
20 of this section SHALL BE SUBMITTED to arbitration pursuant to simplified
21 procedures to be promulgated or approved by the superintendent. Such
22 simplified procedures shall include an expedited eligibility hearing
23 option, when required, to designate the insurer for first party benefits
24 pursuant to subsection (d) of this section. The expedited eligibility
25 hearing option shall be a forum for eligibility disputes only, and shall

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

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1 not include the submission of any particular bill, payment or claim for
2 any specific benefit for adjudication, nor shall it consider any other
3 defense to payment.
4 S 2. This act shall take effect on the two hundred seventieth day
5 after it shall have become a law and shall apply to all claims made on
6 or after such effective date.