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

9471

I N A S S E M B L Y

(PREFILED)

January 6, 2010

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

AN ACT to amend the insurance law, in relation to organization of domestic reciprocal insurers

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

Section 1. Subsection (a) of section 6102 of the insurance law, as amended by chapter 220 of the laws of 1986, is amended to read as follows:

(a) Twenty-five or more persons, firms and corporations, each having the qualifications of subscribers as prescribed in this article, may organize a reciprocal insurer to do any one or more of the basic kinds of insurance set forth in subsection (a) of section four thousand one hundred one of this chapter or, in the alternative, twenty-five or more New York counties, towns, cities, villages, district corporations (as defined in paragraph three of section 2.00 of the local finance law), or school districts and boards of cooperative educational services, each having the qualifications of subscribers as prescribed in this article, may organize statewide municipal reciprocal insurers to provide any one or more of the basic kinds of insurance set forth in subsection (a) of section four thousand one hundred one of this chapter, except workers' compensation and employers' liability, fidelity and surety OTHER THAN OFFICIAL UNDERTAKINGS CONDITIONED FOR THE FAITHFUL PERFORMANCE OF OFFICIAL DUTIES AS REFERENCED IN SECTION ELEVEN OF THE PUBLIC OFFICERS LAW AND REQUIRED BY RELATED PROVISIONS OF THE COUNTY, TOWN, AND VILLAGE LAWS, credit and marine and inland marine (except as authorized by the provisions of paragraph two of subsection (b) of section four thousand one hundred two of this chapter) insurance. Such an insurer shall be called, for purposes of this chapter, a "municipal reciprocal insurer" and shall be subject to all the provisions of this chapter applicable to a reciprocal insurer, except where the context otherwise requires. However, any reciprocal insurer authorized to do the business of workers' compensation insurance shall be deemed to be a mutual carrier with-

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

LBD11492-01-9

in the meaning of the definition of that term in section one hundred six of the workers' compensation law and shall be subject to the provisions of article six-A of such law.

S 2. This act shall take effect immediately.