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

6948

I N S E N A T E

March 1, 2010

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to subscribers agreements of reciprocal insurers

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

Section 1. Paragraph 2 of subsection (a) of section 6106 of the insurance law is amended to read as follows:

(2) Every subscriber's agreement shall be identical in terms, except as to the date and the name and address of the subscriber, with all other subscriber's agreements currently in force and effect with all other subscribers of such reciprocal insurers. However, in the case of any reciprocal insurer authorized pursuant to section six thousand one hundred eight of this article to issue non-assessable policies or agreements, OR HAVING A CORPORATE ATTORNEY-IN-FACT WHOLLY OWNED BY THE SUBSCRIBERS AT SUCH RECIPROCAL INSURER, the acceptance of a policy or binder of insurance containing the subscriber's agreement printed at the end of the standard policy provisions or the binder, as the case may be, preceded by the words printed upon the policy or binder:

> "The acceptance of this policy or binder shall constitute that insured designated therein is a subscriber of the reciprocal insurer and shall constitute the execution and delivery by the insured of the subscriber's agreement which is appended to this policy or binder, and hereby made a part thereof",

shall constitute the execution and delivery of said subscriber's agreement by that insured as fully and to the same extent as though said agreement had been signed and acknowledged by that insured.

S 2. Paragraph 4 of subsection (d) of section 6107 of the insurance law is amended to read as follows:

(4) Notwithstanding paragraphs one, two and three hereof, in the case of any reciprocal insurer which shall have issued its policies, or binders, with the subscriber's agreement and statement printed thereon pursuant to paragraph two of subsection (a) of section six thousand one

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

LBD15411-01-0

hundred six of this article, OR A RECIPROCAL INSURER HAVING A CORPORATE ATTORNEY-IN-FACT WHOLLY OWNED BY THE SUBSCRIBERS AT SUCH RECIPROCAL INSURER WHO PROVIDES WITH SUCH SUBMISSION A COPY OF THE SUBSCRIBER'S AGREEMENT IN FORCE, the failure of any subscriber at such reciprocal to object in writing thereto within sixty days after the date of such submission shall constitute such subscriber's acceptance of such change, amendment or modification as fully and to the same extent as though acceptance of such change, amendment or modification had been signed and acknowledged by that subscriber and such change, amendment or modification shall take effect, as to all subscribers at such reciprocal who have not objected thereto in writing, at the expiration of sixty days from the date of submission. Any subscriber at such reciprocal who objects in writing, within sixty days from the date of such submission, to such change, amendment or modification shall be deemed to have withdrawn from membership in such reciprocal.

S 3. This act shall take effect immediately.