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

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I N A S S E M B L Y

January 27, 2009

Introduced by M. of A. OAKS, ERRIGO, KOLB, MOLINARO, WALKER -- Multi-Sponsored by -- M. of A. BACALLES, CROUCH, McDONOUGH -- read once and referred to the Committee on Transportation

AN ACT to amend the vehicle and traffic law, in relation to notices of termination for policies of liability insurance

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

Section 1. Subdivision 2 of section 313 of the vehicle and traffic law, as amended by chapter 678 of the laws of 1997 and paragraphs (a), (b) and (d) as amended by chapter 509 of the laws of 1998, is amended to read as follows:

2. (a) Upon the termination of an owner's policy of liability insurance, other than an owner's policy of liability insurance for a motorcycle, at the request of the insured or by cancellation by the insurer, the insurer shall file a notice of termination with reference to such policy, as opposed to any insured vehicle or vehicles under such policy, with the commissioner not later than thirty days following the effective date of such cancellation or other termination, in accordance with the regulations required by paragraph (c) of this subdivision. An insurer shall not file a notice of termination with the commissioner except as required by this subdivision.

(b) Upon the issuance of an owner's policy of liability insurance the insurer shall file a notice or confirmation of issuance with reference to such policy not later than fourteen days following the effective date of such issuance, and not later than seven days following the effective date for policies issued after January first, two thousand one, in accordance with the regulations required by paragraph (c) of this subdivision.

(c) The commissioner shall promulgate regulations establishing procedures for issuance of proof of insurance and for reporting by insurers of notices of termination and policy issuance, either electronically or

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

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by paper copy, at the option of the department. Such reporting shall be required for every cancellation or termination which is effective on or after July first, nineteen hundred eighty-four and for every policy issuance which is effective on or after January first, two thousand; provided, however, that should the commissioner find, after testing of reporting procedures, that it would be feasible to require reporting for policy cancellations, terminations or issuances effective on an earlier date, he may by regulation so require reporting on such earlier date, but in no event shall reporting be required for cancellations or terminations effective prior to February first, nineteen hundred eighty-four nor for policy issuances effective prior to September first, nineteen hundred ninety-nine. Insurers shall cooperate fully with the commissioner in any such testing of reporting procedures.

(d) Upon application by an insurer, the commissioner may extend the period for filing of notices of termination by such insurer for up to fifteen days, and for seven days for policies issued by an insurer. Extensions shall not be granted unless the insurer demonstrates to the satisfaction of the commissioner that compliance with the notice period would result in substantial hardship to the insurer. The commissioner shall maintain a list of extensions granted pursuant to this paragraph.

(E) NOTWITHSTANDING ANY INCONSISTENT PROVISION OF THIS SECTION, THIS SUBDIVISION SHALL BE APPLICABLE TO ALL VEHICLES, INCLUDING SNOWMOBILES, WHICH ARE INSURED OR COVERED UNDER AN OWNER'S POLICY OF LIABILITY INSURANCE.

S 2. Subdivision 2 of section 313 of the vehicle and traffic law, as amended by chapter 1025 of the laws of 1971, is amended to read as follows:

2. Upon the termination of insurance by cancellation or failure to renew, notice of such cancellation or other termination shall be filed by the insurer with the commissioner not later than thirty days following the effective date of such cancellation or other termination. However, no insurer shall be required to file a notice of cancellation or other termination under this paragraph where the insurer has been advised by the commissioner that such insurance has been superseded by another insurance contract which took effect at or prior to the time at which the termination became effective, or where the insured has surrendered his registration certificate and number plates to the commissioner and has delivered to the insurer a copy of the notice indicating surrender at or prior to the time at which the termination became effective.

NOTWITHSTANDING ANY INCONSISTENT PROVISION OF THIS SECTION, THIS SUBDIVISION SHALL BE APPLICABLE TO ALL VEHICLES, INCLUDING SNOWMOBILES, WHICH ARE INSURED OR COVERED UNDER AN OWNER'S POLICY OF LIABILITY INSURANCE.

S 3. This act shall take effect immediately; provided, however, that the amendments to subdivision 2 of section 313 of the vehicle and traffic law made by section one of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 12 of chapter 569 of the laws of 1981, as amended, and section 15 of chapter 781 of the laws of 1983, as amended, when upon such date the provisions of section two of this act shall take effect.