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I N A S S E M B L Y

May 9, 2012

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

AN ACT to amend the insurance law, in relation to the provision of supplemental spousal liability insurance to persons who are insured for loss resulting from the ownership, maintenance and use of a motor vehicle

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

1 Section 1. Subsection (g) of section 3420 of the insurance law, as
2 amended by chapter 584 of the laws of 2002, is amended to read as
3 follows:

4 (g) [No] (1) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH TWO OF THIS
5 SUBSECTION, NO policy or contract shall be deemed to insure against any
6 liability of an insured because of death of or injuries to his or her
7 spouse or because of injury to, or destruction of property of his or her
8 spouse unless express provision relating specifically thereto is
9 included in the policy [as provided in paragraphs one and two of this
10 subsection]. This exclusion shall apply only where the injured spouse,
11 to be entitled to recover, must prove the culpable conduct of the
12 insured spouse.

13 [(1) Upon written request of an insured, and upon payment of a reason-
14 able premium established in accordance with article twenty-three of this
15 chapter, an] (2) (A) EVERY insurer issuing or delivering any policy that
16 satisfies the requirements of article six of the vehicle and traffic law
17 shall provide coverage IN SUCH POLICY against liability of an insured
18 because of death of or injuries to his or her spouse up to the liability
19 insurance limits provided under such policy even where the injured
20 spouse, to be entitled to recover, must prove the culpable conduct of
21 the insured spouse, UNLESS THE INSURED ELECTS, IN WRITING AND IN SUCH
22 FORM AS THE SUPERINTENDENT DETERMINES, TO DECLINE AND REFUSE SUCH COVER-
23 AGE IN HIS OR HER POLICY. Such insurance coverage shall be known as
24 "supplemental spousal liability insurance".

25 [(2)] (B) Upon issuance, RENEWAL OR AMENDMENT of a motor vehicle
26 liability policy that satisfies the requirements of article six of the

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

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1 vehicle and traffic law [and that becomes effective on or after January
2 first, two thousand three, pursuant to regulations promulgated by the
3 superintendent], the insurer shall notify the insured, in writing, [of
4 the availability of] THAT SUCH POLICY SHALL INCLUDE supplemental spousal
5 liability insurance UNLESS THE INSURED DECLINES AND REFUSES SUCH INSUR-
6 ANCE, IN WRITING AND IN SUCH FORM AS SHALL BE DETERMINED BY THE SUPER-
7 INTENDENT. Such notification shall be contained on the front of the
8 premium notice in boldface type and include a concise statement that
9 supplementary spousal coverage is [available] PROVIDED UNLESS DECLINED
10 BY THE INSURED, an explanation of such coverage, and the insurer's
11 premium for such coverage. [Subsequently, a notification of the avail-
12 ability of supplementary spousal liability coverage shall be provided at
13 least once a year in motor vehicle liability policies issued pursuant to
14 article six of the vehicle and traffic law, including those originally
15 issued prior to January first, two thousand three. Such notice must
16 include a concise statement that supplementary spousal coverage is
17 available, an explanation of such coverage, and the insurer's premium
18 for such coverage.]

19 S 2. This act shall take effect on the first of January next succeed-
20 ing the date on which it shall have become a law and shall apply to
21 policies issued, renewed or modified on or after such date; provided
22 that, effective immediately, any actions necessary to implement the
23 provisions of this act on its effective date are authorized and directed
24 to be completed on or before such date.