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

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:

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

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

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

[(2)] (B) Upon issuance, RENEWAL OR AMENDMENT of a motor vehicle 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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vehicle and traffic law [and that becomes effective on or after January first, two thousand three, pursuant to regulations promulgated by the superintendent], the insurer shall notify the insured, in writing, [of the availability of] THAT SUCH POLICY SHALL INCLUDE supplemental spousal liability insurance UNLESS THE INSURED DECLINES AND REFUSES SUCH INSURANCE, IN WRITING AND IN SUCH FORM AS SHALL BE DETERMINED BY THE SUPERINTENDENT. Such notification shall be contained on the front of the premium notice in boldface type and include a concise statement that supplementary spousal coverage is [available] PROVIDED UNLESS DECLINED BY THE INSURED, an explanation of such coverage, and the insurer's premium for such coverage. [Subsequently, a notification of the availability of supplementary spousal liability coverage shall be provided at least once a year in motor vehicle liability policies issued pursuant to article six of the vehicle and traffic law, including those originally issued prior to January first, two thousand three. Such notice must include a concise statement that supplementary spousal coverage is available, an explanation of such coverage, and the insurer's premium for such coverage.]

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