

3306--A

2013-2014 Regular Sessions

I N A S S E M B L Y

January 24, 2013

Introduced by M. of A. BRENNAN, LAVINE, ROSENTHAL, MILLER, TITONE, WEPRIN, ROBERTS, COOK -- Multi-Sponsored by -- M. of A. ABINANTI, GOTTFRIED -- read once and referred to the Committee on Insurance -- recommitted to the Committee on Insurance in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the vehicle and traffic law and the insurance law, in relation to increasing the minimum insurance coverage requirements for automobiles registered and/or operated within the state of New York

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

1 Section 1. Paragraph (a) of subdivision 4 and subdivision 7 of section  
2 311 of the vehicle and traffic law, paragraph (a) of subdivision 4 as  
3 amended by chapter 305 of the laws of 1995 and subdivision 7 as amended  
4 by chapter 805 of the laws of 1984, are amended to read as follows:  
5 (a) Affording coverage as defined in the minimum provisions prescribed  
6 in a regulation which shall be promulgated by the superintendent at  
7 least ninety days prior to effective date of this act. The superinten-  
8 dent before promulgating such regulations or any amendment thereof,  
9 shall consult with all insurers licensed to write automobile liability  
10 insurance in this state and shall not prescribe minimum provisions which  
11 fail to reflect the provisions of automobile liability insurance poli-  
12 cies, other than motor vehicle liability policies as defined in section  
13 three hundred forty-five of this chapter, issued within this state at  
14 the date of such regulation or amendment thereof. Nothing contained in  
15 such regulation or in this article shall prohibit any insurer from  
16 affording coverage under an owner's policy of liability insurance more  
17 liberal than that required by said minimum provisions. Every such  
18 owner's policy of liability insurance shall provide insurance subject to  
19 said regulation against loss from the liability imposed by law for  
20 damages, including damages for care and loss of services, because of

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

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1 bodily injury to or death of any person and injury to or destruction of  
2 property arising out of the ownership, maintenance, use, or operation of  
3 a specific motor vehicle or motor vehicles within the state of New York,  
4 or elsewhere in the United States in North America or the Dominion of  
5 Canada, subject to a limit, exclusive of interest and costs, with  
6 respect to each such motor vehicle except a tow truck, of [twenty-five]  
7 TWO HUNDRED FIFTY thousand dollars because of bodily injuries to and  
8 [fifty] FIVE HUNDRED thousand dollars because of death of one person in  
9 any one accident and, subject to said limit for one person, to a limit  
10 of [fifty] FIVE HUNDRED thousand dollars because of bodily injury to and  
11 one [hundred thousand] MILLION dollars because of death of two or more  
12 persons in any one accident, and to a limit of [ten] TWENTY-FIVE thou-  
13 sand dollars because of injury to or destruction of property of others  
14 in any one accident provided, however, that such policy need not be for  
15 a period coterminous with the registration period of the vehicle  
16 insured. The limit, exclusive of interest and costs, with respect to a  
17 tow truck shall be a combined single limit of at least three hundred  
18 thousand dollars because of bodily injury or death to one or more  
19 persons or because of injury or destruction of property of others in any  
20 one accident, and to a limit of twenty-five thousand dollars because of  
21 damage to a vehicle in the care, custody and control of the insured. Any  
22 insurer authorized to issue an owner's policy of liability insurance as  
23 provided for in this article may, pending the issue of such a policy,  
24 make an agreement, to be known as a binder, or may, in lieu of such a  
25 policy, issue a renewal endorsement or evidence of renewal of an exist-  
26 ing policy; each of which shall be construed to provide indemnity or  
27 protection in like manner and to the same extent as such a policy. The  
28 provisions of this article shall apply to such binders, renewal endorse-  
29 ments or evidences of renewal. Every such policy issued insuring private  
30 passenger vehicles and every renewal policy, renewal endorsement, or  
31 other evidence of renewal issued shall have attached thereto a rating  
32 information form which clearly specifies and defines the rating classi-  
33 fication assigned thereto, including any applicable merit rating plan;  
34 and

35 7. The term "financial security deposit" shall mean for each motor  
36 vehicle the deposit with the commissioner of [twenty-five] TWO HUNDRED  
37 FIFTY thousand dollars in cash, or securities, such as may legally be  
38 purchased by savings banks or trust funds, of a market value of [twen-  
39 ty-five] TWO HUNDRED FIFTY thousand dollars and an additional deposit in  
40 an amount determined by the commissioner to be sufficient to satisfy the  
41 requirements of article fifty-one of the insurance law.

42 S 2. Paragraph 3 of subdivision (b) of section 345 of the vehicle and  
43 traffic law, as amended by chapter 305 of the laws of 1995, is amended  
44 to read as follows:

45 (3) Shall insure the insured or such other person against loss from  
46 the liability imposed by law for damages, including damages for care and  
47 loss of services because of bodily injury to or death of any person and  
48 injury to or destruction of property arising out of the ownership, main-  
49 tenance, use, or operation of such motor vehicle or motor vehicles with-  
50 in the state of New York, or elsewhere in the United States in North  
51 America or the Dominion of Canada, subject to a limit, exclusive of  
52 interest and cost, with respect to each such motor vehicle, except a tow  
53 truck, of [twenty-five] TWO HUNDRED FIFTY thousand dollars because of  
54 bodily injury to or [fifty] FIVE HUNDRED thousand dollars because of  
55 death of one person in any one accident and, subject to said limit for  
56 one person, to a limit of [fifty] FIVE HUNDRED thousand dollars because

1 of bodily injury to or one [hundred thousand] MILLION dollars because of  
2 death of two or more persons in any one accident, and to a limit of  
3 [ten] TWENTY-FIVE thousand dollars because of injury to or destruction  
4 of property of others in any one accident. The limit, exclusive of  
5 interest and costs, with respect to a tow truck shall be a combined  
6 single limit of three hundred thousand dollars because of bodily injury  
7 of death to one or more persons or because of injury or destruction of  
8 property of others in any one accident, and to a limit of twenty-five  
9 thousand dollars because of damage to a vehicle in the care, custody and  
10 control of the insured.

11 S 3. Paragraph 1 of subsection (f) of section 3420 of the insurance  
12 law, as amended by chapter 305 of the laws of 1995, is amended to read  
13 as follows:

14 (1) No policy insuring against loss resulting from liability imposed  
15 by law for bodily injury or death suffered by any natural person arising  
16 out of the ownership, maintenance and use of a motor vehicle by the  
17 insured shall be issued or delivered by any authorized insurer upon any  
18 motor vehicle then principally garaged or principally used in this state  
19 unless it contains a provision whereby the insurer agrees that it will  
20 pay to the insured, as defined in such provision, subject to the terms  
21 and conditions set forth therein to be prescribed by the board of direc-  
22 tors of the Motor Vehicle Accident Indemnification Corporation and  
23 approved by the superintendent, all sums, not exceeding a maximum amount  
24 or limit of [twenty-five] TWO HUNDRED FIFTY thousand dollars exclusive  
25 of interest and costs, on account of injury to and all sums, not exceed-  
26 ing a maximum amount or limit of [fifty] FIVE HUNDRED thousand dollars  
27 exclusive of interest and costs, on account of death of one person, in  
28 any one accident, and the maximum amount or limit, subject to such limit  
29 for any one person so injured of [fifty] FIVE HUNDRED thousand dollars  
30 or so killed of one [hundred thousand] MILLION dollars, exclusive of  
31 interest and costs, on account of injury to, or death of, more than one  
32 person in any one accident, which the insured or his legal represen-  
33 tative shall be entitled to recover as damages from an owner or operator  
34 of an uninsured motor vehicle, unidentified motor vehicle which leaves  
35 the scene of an accident, a motor vehicle registered in this state as to  
36 which at the time of the accident there was not in effect a policy of  
37 liability insurance, a stolen vehicle, a motor vehicle operated without  
38 permission of the owner, an insured motor vehicle where the insurer  
39 disclaims liability or denies coverage or an unregistered vehicle  
40 because of bodily injury, sickness or disease, including death resulting  
41 therefrom, sustained by the insured, caused by accident occurring in  
42 this state and arising out of the ownership, maintenance or use of such  
43 motor vehicle. No payment for non-economic loss shall be made under such  
44 policy provision to a covered person unless such person has incurred a  
45 serious injury, as such terms are defined in section five thousand one  
46 hundred two of this chapter. Such policy shall not duplicate any element  
47 of basic economic loss provided for under article fifty-one of this  
48 chapter. No payments of first party benefits for basic economic loss  
49 made pursuant to such article shall diminish the obligations of the  
50 insurer under this policy provision for the payment of non-economic loss  
51 and economic loss in excess of basic economic loss. Notwithstanding any  
52 inconsistent provisions of section three thousand four hundred twenty-  
53 five of this article, any such policy which does not contain the afore-  
54 said provisions shall be construed as if such provisions were embodied  
55 therein.

1 S 4. Subsection (a) of section 5210 of the insurance law, as amended  
2 by chapter 305 of the laws of 1995, is amended to read as follows:

3 (a) When any qualified person who has complied with all the applicable  
4 requirements of this article recovers a final judgment in a court  
5 against a financially irresponsible motorist, for injury to, or death  
6 of, any person arising out of the ownership, maintenance or use of the  
7 uninsured motor vehicle in this state, which remains unpaid, and all  
8 appeals have been concluded or the time for commencing them has expired,  
9 the judgment creditor may file a verified petition in the court in which  
10 the judgment was entered and, upon ten days' written notice to the  
11 corporation apply to the court for an order directing payment by the  
12 corporation of the amount unpaid on the judgment. However, there shall  
13 be no right of recovery by a covered person from the corporation for  
14 non-economic loss unless such person has incurred a serious injury, as  
15 such terms are defined in section five thousand one hundred two of this  
16 chapter. Such judgment exclusive of interest and costs shall not  
17 exceed:

18 (1) [twenty-five] TWO HUNDRED FIFTY thousand dollars on account of  
19 injury to one person in any one accident, and

20 (2) [fifty] FIVE HUNDRED thousand dollars on account of death to one  
21 person in any one accident, and

22 (3) [fifty] FIVE HUNDRED thousand dollars on account of injury to more  
23 than one person in any one accident subject to the limit of twenty-five  
24 thousand dollars for any one person, and

25 (4) one [hundred thousand] MILLION dollars on account of death to more  
26 than one person in any one accident subject to the limit of fifty thou-  
27 sand dollars for any one person.

28 S 5. This act shall take effect on the one hundred eightieth day after  
29 it shall have become a law.