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

7453

2013-2014 Regular Sessions

I N A S S E M B L Y

May 17, 2013

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 requiring the superintendent of financial services to promulgate regulations which provide standardized definitions for commonly used terms and phrases in certain insurance policies

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

Section 1. Section 3425 of the insurance law is amended by adding a new subsection (t) to read as follows:

(T) WITHIN SIX MONTHS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION, THE SUPERINTENDENT SHALL PROMULGATE REGULATIONS IN ACCORDANCE WITH SECTION TWO HUNDRED TWO OF THE STATE ADMINISTRATIVE PROCEDURE ACT WHICH PROVIDE STANDARDIZED DEFINITIONS FOR COMMONLY USED TERMS AND PHRASES IN POLICIES THAT PROVIDE COVERAGE FOR PERSONAL LINES INSURANCE AS DEFINED IN PARAGRAPH TWO OF SUBSECTION (A) OF THIS SECTION. SUCH STANDARDIZED TERMS AND PHRASES SHALL BE USED IN SUCH POLICIES ISSUED OR DELIVERED IN THIS STATE ON OR AFTER THE DATE THE REGULATIONS ARE FINALIZED, WHICH SHALL BE NO LATER THAN JANUARY FIRST, TWO THOUSAND FIFTEEN. AN INSURER MAY USE ALTERNATIVE DEFINITIONS, SO LONG AS SUCH DEFINITIONS ARE NOT ANY LESS FAVORABLE TO THE POLICYHOLDER OR CLAIMANT, AS DETERMINED BY THE SUPERINTENDENT.

S 2. Section 3426 of the insurance law is amended by adding a new subsection (p) to read as follows:

(P) WITHIN SIX MONTHS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION, THE SUPERINTENDENT SHALL PROMULGATE REGULATIONS IN ACCORDANCE WITH SECTION TWO HUNDRED TWO OF THE STATE ADMINISTRATIVE PROCEDURE ACT WHICH PROVIDE STANDARDIZED DEFINITIONS FOR COMMONLY USED TERMS AND PHRASES IN POLICIES THAT PROVIDE COVERAGE FOR COMMERCIAL LINES INSURANCE POLICIES THAT COVER LOSS OR DAMAGE TO REAL PROPERTY, PERSONAL PROPERTY, OR OTHER LIABILITIES FOR LOSS OR DAMAGE TO PROPERTY. SUCH STANDARDIZED TERMS AND PHRASES

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

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SHALL BE USED IN SUCH POLICIES ISSUED OR DELIVERED IN THIS STATE ON OR AFTER THE DATE THE REGULATIONS ARE FINALIZED, WHICH SHALL BE NO LATER THAN JANUARY FIRST, TWO THOUSAND FIFTEEN. AN INSURER MAY USE ALTERNATIVE DEFINITIONS, SO LONG AS SUCH DEFINITIONS ARE NOT ANY LESS FAVORABLE TO THE POLICYHOLDER OR CLAIMANT, AS DETERMINED BY THE SUPERINTENDENT.

S 3. This act shall take effect immediately.