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

5781

2013-2014 Regular Sessions

I N A S S E M B L Y

March 6, 2013

Introduced by M. of A. WEISENBERG, LAVINE, GUNTHER, SCARBOROUGH, ORTIZ, COLTON -- Multi-Sponsored by -- M. of A. ARROYO, BORELLI, COOK, ENGLEBRIGHT, HENNESSEY, KEARNS, MILLER, MILLMAN, RIVERA -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to the release of insurance payment funds

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

Section 1. The banking law is amended by adding a new section 667 to read as follows:

S 667. UNAUTHORIZED WITHHOLDING OF FUNDS. IT SHALL BE UNLAWFUL FOR ANY ENTITY SUBJECT TO THE PROVISIONS OF THIS CHAPTER TO WITHHOLD FUNDS FROM A CUSTOMER'S INSURANCE CLAIM PAYMENT IN EXCESS OF THE PERCENTAGE OF THEIR EQUITY IN THE CUSTOMER'S PROPERTY. THE ENTITY MAY ONLY WITHHOLD AN AMOUNT OF SUCH FUNDS EQUAL TO THE PERCENTAGE OF THEIR EQUITY IN THE PROPERTY.

S 2. This act shall take effect on the thirtieth day after it shall have become a law.

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

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