STATE OF NEW YORK

4010--A

2017-2018 Regular Sessions

IN SENATE

February 1, 2017

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to the organization of assessment corporations

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The opening paragraph of subsection (a) of section 6605 of the insurance law, as added by chapter 137 of the laws of 1986, is amended to read as follows:

An assessment corporation may be organized and licensed in the manner prescribed in section six thousand six hundred three of this article and may do, in addition to the kind of insurance specified in paragraph four of subsection (a) of section one thousand one hundred thirteen of this chapter, any one or more of the kinds of insurance specified in paragraphs five, six, seven and eight of such subsection [~~solely in conjunction with fire insurance written under the same policy and covering the same premises~~] and insurance against loss or damage to property caused by aircraft or vehicles in compliance with the following prerequisites:

§ 2. Subsection (b) of section 6605 of the insurance law, as amended by chapter 379 of the laws of 2001, is amended to read as follows:

(b) Any licensed assessment corporation may amend its charter and be licensed to do the kinds of insurance specified in paragraphs nine, thirteen, fourteen and fifteen (except workers' compensation insurance) of subsection (a) of section one thousand one hundred thirteen of this chapter [~~solely in conjunction with fire insurance written under the same policy and covering the same premises~~] and may be licensed to do the kinds of insurance specified in paragraphs twelve, nineteen (excluding aircraft physical damage insurance) and twenty (inland marine only) of such subsection. **An assessment corporation licensed to write the**

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

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kinds of insurance specified in paragraphs thirteen and fourteen of subsection (a) of section one thousand one hundred thirteen of this chapter is authorized to write personal or commercial umbrella liability insurance or any other type of standalone liability insurance, excluding automobile insurance.

§ 3. Section 6605 of the insurance law is amended by adding a new subsection (d) to read as follows:

(d) An assessment corporation licensed to write the kinds of insurance specified in paragraphs thirteen and fourteen of subsection (a) of section one thousand one hundred thirteen of this chapter is authorized to write personal or commercial umbrella liability insurance or any other type of standalone liability insurance, excluding automobile insurance. Except as herein provided, the corporation must maintain an additional surplus or fifty thousand dollars if the corporation writes umbrella liability insurance. The additional surplus is not necessary if the whole risk for this peril is reinsured in an insurance company authorized to do business in this state, or in an accredited reinsurer, as defined in subsection (a) of section one hundred seven of this chapter.

§ 4. This act shall take effect immediately.