STATE OF NEW YORK

2811

2017-2018 Regular Sessions

IN SENATE

January 17, 2017

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to business interruption insurance

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

Section 1. The section heading of section 3426 of the insurance law, as amended by chapter 235 of the laws of 1989, is amended to read as follows:

Commercial lines insurance; cancellation and renewal provisions*; business interruption insurance*.

§ 2. Subsection (a) of section 3426 of the insurance law is amended by adding a new paragraph 12 to read as follows:

(12) "Business interruption insurance" shall have the same meaning as paragraph four of subsection (d) of section five thousand four hundred one of this chapter.

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

(p) No insurer writing a policy issued or delivered in this state that provides for business interruption insurance shall deny or exclude coverage for a claim for loss or damage that is caused by a peril insured against by the policy solely because the insured peril:

(1) Resulted from a peril not insured against or expressly excluded under the policy; or

(2) Resulted from an action intended to mitigate loss from a peril not insured against or expressly excluded under the policy; or

(3) Occurred within a reasonable amount of time either before or after a peril not insured against or expressly excluded under the policy.

§ 4. This act shall take effect immediately and shall apply to claims made on or after such effective date.

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

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