STATE OF NEW YORK

2884

2019-2020 Regular Sessions

IN ASSEMBLY

January 28, 2019

Introduced by M. of A. PICHARDO -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to commercial crime coverage exclusions

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

Section 1. The insurance law is amended by adding a new section 3457 to read as follows:

§ 3457. Commercial crime coverage exclusions. (a) Definitions. As used in this section:

(1) "commercial crime coverage" means coverage under a policy of commercial risk insurance that provides burglary and theft insurance or fidelity insurance; and

(2) "commercial risk insurance" shall have the same meaning as set forth in paragraph forty-seven of subsection (a) of section one hundred seven of this chapter.

(b) No policy issued, renewed or delivered in this state that provides commercial crime coverage may exclude or limit coverage for loss or damage caused by an employee if:

(1) the employee was convicted of one or more criminal offenses in this state or any other jurisdiction prior to being employed by the employer; and

(2) after learning about an employee's past criminal conviction or convictions, the employer made a determination to hire or retain the employee pursuant to article twenty-three-A of the correction law.

(c) A violation of this section shall be deemed to be an unfair method of competition or an unfair or deceptive act and practice in the conduct of the business of insurance in this state, and shall be deemed to be a trade practice constituting a determined violation, as defined in subsection (c) of section two thousand four hundred two of this chapter, in violation of section two thousand four hundred three of this chapter.

§ 2. This act shall take effect immediately.

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

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