

# STATE OF NEW YORK

4347

2019-2020 Regular Sessions

## IN ASSEMBLY

February 4, 2019

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

AN ACT to amend the insurance law, in relation to insurance fraud

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

1 Section 1. Section 401 of the insurance law is amended by adding a new  
2 subsection (d) to read as follows:

3 (d) The superintendent shall have authority pursuant to this chapter  
4 to investigate fraudulent activities with regard to individuals that  
5 operate motor vehicles with no insurance coverage, and motor vehicle  
6 insureds who misrepresent the principal place where insured motor vehi-  
7 cles are garaged and operated. Operating motor vehicles without proper  
8 insurance in violation of article six of the vehicle and traffic law is  
9 a significant danger to the public because drivers are unable to compen-  
10 sate individuals for personal injuries, death and property damage they  
11 inflict upon others. Furthermore, motor vehicle insureds who misrepre-  
12 sent the principal place where such vehicles are garaged and operated  
13 improperly shift their high liability exposure costs to other motor  
14 vehicle insureds that do not face such high liability risk and insurance  
15 premium costs.

16 § 2. Subsection (a) of section 405 of the insurance law, as amended by  
17 section 7 of part A of chapter 62 of the laws of 2011, is amended to  
18 read as follows:

19 (a) Any person licensed or registered pursuant to the provisions of  
20 this chapter, and any person engaged in the business of insurance or  
21 life settlement in this state who is exempted from compliance with the  
22 licensing requirements of this chapter, including the state insurance  
23 fund of this state, who has reason to believe that an insurance trans-  
24 action or life settlement act may be fraudulent, or has knowledge that a  
25 fraudulent insurance transaction or fraudulent life settlement act is  
26 about to take place, or has taken place shall, within thirty days after

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

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1 determination by such person that the transaction appears to be fraudu-  
2 lent, send to the superintendent on a form prescribed by the superinten-  
3 dent, the information requested by the form and such additional informa-  
4 tion relative to the factual circumstances of the transaction and the  
5 parties involved as the superintendent may require. The superintendent  
6 shall accept reports of suspected fraudulent insurance transactions or  
7 fraudulent life settlement acts from any self insurer, including but not  
8 limited to self insurers providing health insurance coverage, those  
9 providing motor vehicle liability insurance or those defined in section  
10 fifty of the workers' compensation law, and shall treat such reports as  
11 any other received pursuant to this section.  
12 § 3. This act shall take effect on the one hundred eightieth day after  
13 it shall have become a law.