

# STATE OF NEW YORK

3638

2019-2020 Regular Sessions

## IN SENATE

February 11, 2019

Introduced by Sens. BRESLIN, 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 excess disability  
insurance

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

1 Section 1. Paragraph 32 of subsection (a) of section 1113 of the  
2 insurance law, as renumbered by chapter 626 of the laws of 2006, is  
3 renumbered paragraph 33 and a new paragraph 32 is added to read as  
4 follows:

5 (32) "Catastrophic business disruption insurance," means insurance  
6 against financial loss experienced by a corporate entity or a partner-  
7 ship where an individual integral to the successful operation of such  
8 corporate entity or partnership becomes disabled due to sickness,  
9 ailment or bodily injury. Such insurance may be obtained in excess of a  
10 primary business-related disability policy, or in the absence of such a  
11 policy if coverage cannot be obtained from an authorized insurer.  
12 Catastrophic business disruption insurance coverage may include, but is  
13 not limited to, reimbursement for all overhead costs and expenses and  
14 all capital outlays of a corporate entity or partnership which such  
15 corporate entity or partnership incurs in the ordinary course of busi-  
16 ness during the period of disability; and buy/sell arrangements in an  
17 amount sufficient to purchase the disabled individual's interest share  
18 in the corporate entity or partnership.

19 § 2. Subsection (a) of section 2105 of the insurance law, as amended  
20 by section 9 of part I of chapter 61 of the laws of 2011, is amended to  
21 read as follows:

22 (a) The superintendent may issue an excess line broker's license to  
23 any person, firm, association or corporation who or which is licensed as  
24 an insurance broker under section two thousand one hundred four of this  
25 article, or who or which is licensed as an excess line broker in the

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

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licensee's home state, provided, however, that the applicant's home state grants non-resident licenses to residents of this state on the same basis, except that reciprocity is not required in regard to the placement of liability insurance on behalf of a purchasing group or any of its members; authorizing such person, firm, association or corporation to procure, subject to the restrictions herein provided, policies of insurance from insurers which are not authorized to transact business in this state of the kind or kinds of insurance specified in paragraphs four through fourteen, sixteen, seventeen, nineteen, twenty, twenty-two, twenty-seven, twenty-eight ~~and~~, thirty-one and thirty-two of subsection (a) of section one thousand one hundred thirteen of this chapter and in subsection (h) of this section, provided, however, that the provisions of this section and section two thousand one hundred eighteen of this article shall not apply to ocean marine insurance and other contracts of insurance enumerated in subsections (b) and (c) of section two thousand one hundred seventeen of this article. Such license may be suspended or revoked by the superintendent whenever in his or her judgment such suspension or revocation will best promote the interests of the people of this state.

§ 3. Subsection (b) of section 4101 of the insurance law, as amended by chapter 626 of the laws of 2006, is amended to read as follows:

(b) "Non-basic kinds of insurance" means the kinds of insurance described in the following paragraphs of subsection (a) of section one thousand one hundred thirteen of this chapter numbered therein as set forth in parentheses below:

- accident and health (item (i) of (3));
- non-cancellable disability (item (ii) of (3));
- miscellaneous property (5);
- water damage (6);
- collision (12);
- property damage liability (14) - non-basic as to mutual companies only;
- motor vehicle and aircraft physical damage (19);
- inland marine as specified in marine and inland marine (20);
- marine protection and indemnity (21) - non-basic as to stock companies only;
- residual value (22);
- credit unemployment (24);
- gap (26);
- prize indemnification (27);
- service contract reimbursement (28);
- legal services insurance (29);
- involuntary unemployment insurance (30);
- salary protection insurance (31) ~~[-]~~;
- catastrophic business disruption insurance (32).

§ 4. Group A of table one as contained in paragraph 1 of subsection (a) of section 4103 of the insurance law, as amended by chapter 626 of the laws of 2006, is amended to read as follows:

Group A:

7	\$300,000	\$150,000
8, 9, 10, 11, or 14 - for each such kind	\$100,000	\$ 50,000
13 or 15 - for each such kind	\$500,000	\$250,000
16	\$900,000	\$450,000
17	\$400,000	\$200,000

1	Basic additional amount		
2	required for any one		
3	or more of the above		
4	kinds of insurance	\$100,000	\$ 50,000
5	3(i), 3(ii), 6{1} or 12{2} - for each		
6	such kind	\$100,000	\$ 50,000
7	22	\$2,000,000	\$1,000,000
8	24	\$400,000	\$200,000
9	26(B)	\$200,000	\$100,000
10	26(A), 26 (C) or 26(D) -		
11	for each such kind	\$600,000	\$300,000
12	27	\$300,000	\$150,000
13	28	\$2,000,000	\$1,000,000
14	30	\$400,000	\$200,000
15	31	\$100,000	\$ 50,000
16	<u>32</u>	<u>\$100,000</u>	<u>\$50,000</u>

17 § 5. Group C of table three as contained in subsection (b) of section  
 18 4107 of the insurance law, as amended by chapter 626 of the laws of  
 19 2006, is amended to read as follows:

20 Group C:

21	3(i) or 3(ii) - for each such kind	\$ 100,000	\$ 100,000
22	22	\$3,000,000	\$2,000,000
23	24	\$ 300,000	\$ 300,000
24	26 (B)	\$ 300,000	\$ 200,000
25	26(A), 26 (C) or 26(D) -		
26	for each such kind	\$ 900,000	\$ 600,000
27	28	\$3,000,000	\$2,000,000
28	6{5}, 12{6} or 14{2} - for		
29	each such kind	\$ 50,000	\$ 50,000
30	27	\$ 300,000	\$ 150,000
31	30	\$ 300,000	\$ 300,000
32	31	\$ 100,000	\$ 100,000
33	<u>32</u>	<u>\$100,000</u>	<u>\$100,000</u>

34 § 6. This act shall take effect immediately.