

STATE OF NEW YORK

8437

IN SENATE

June 1, 2020

Introduced by Sen. LIU -- 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 group policies for motor vehicles engaged in the business of carrying or transporting passengers for-hire

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

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

3 § 3457. Group fleet policy for motor vehicles engaged in the business
4 of carrying or transporting passengers for-hire. (a) (i) Every author-
5 ized insurer that issues or issues for delivery in this state a policy
6 of commercial risk insurance insuring against losses or liabilities
7 arising out of the ownership, operation, or use of a motor vehicle,
8 shall establish and offer a group fleet policy insuring against the
9 losses or liabilities arising out of the ownership of motor vehicles
10 engaged in the business of carrying or transporting passengers for-hire,
11 having a seating capacity of not less than eight passengers. Such group
12 fleet policy shall provide coverage for more than one vehicle through
13 one policy. Such group fleet policies shall be subject to all laws,
14 rules and regulations applicable to policies of commercial risk insur-
15 ance insuring against losses or liabilities arising out of the owner-
16 ship, operation, or use of a motor vehicle engaged in the business of
17 carrying or transporting passengers for-hire, having a seating capacity
18 of not less than eight passengers, including but not limited to laws,
19 rules and regulations establishing financial responsibility require-
20 ments.

21 (ii) For the purpose of this section, a "group fleet policy" shall
22 mean, a policy issued by an authorized insurer in this state insuring
23 against losses or liabilities arising out of ownership, operation, or
24 use of a motor vehicle engaged in the business of carrying or transport-
25 ing passengers for-hire, having a seating capacity of not less than
26 eight passengers, and such policy shall cover more than one vehicle.

27 (b) The group fleet policy may be issued to:

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

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1 (i) Any person, firm, association, corporation or other entity which
2 shall be deemed the policyholder, where the policy insures the for-hire
3 motor vehicles owned by such person, firm, association, corporation or
4 other entity; or

5 (ii) An association where such association shall be deemed the policy-
6 holder; where all the eligible members of the association have the same
7 profession, trade, or occupation, and the association has been organized
8 and maintained in good faith for purposes principally other than that of
9 obtaining insurance, and has been in active existence for at least two
10 years, and where the policy insures the members of the association.

11 (c) An authorized insurer issuing policies pursuant to this section
12 shall provide a multiple vehicle reduction based on the number of motor
13 vehicles that will be covered under such policy. Such reduction shall be
14 based on actuarially appropriate reductions as provided for in
15 subsection (e) of this section. Each insurer required to provide such
16 reduction shall submit a report to the superintendent at the end of each
17 calendar year identifying the number of policies eligible for such
18 discount and the number of policies to which such discount has been
19 applied.

20 (d) A member of an association shall not be deemed to be an employee
21 of such association solely because such member is covered under a group
22 fleet policy issued to an association pursuant to this section.

23 (e) Authorized insurers required to establish group fleet policies
24 pursuant to this section shall make such policies available for purchase
25 no later than January first, two thousand twenty-one.

26 (f) The superintendent shall provide for an actuarially appropriate
27 reduction in the rates of premiums for commercial risk insurance appli-
28 cable to motor vehicles engaged in the business of carrying or trans-
29 porting passengers for-hire, having a seating capacity of not less than
30 eight passengers, for policies that provide coverage for multiple vehi-
31 cles. Nothing in this section shall be construed to authorize any
32 increase in premium rates for any other policy issued by such authorized
33 insurer as a result of any group fleet policy premium rate.

34 (g) The superintendent may promulgate any rules and regulations neces-
35 sary to implement the provisions of this section.

36 § 2. This act shall take effect immediately.