

STATE OF NEW YORK

1252

2021-2022 Regular Sessions

IN ASSEMBLY

January 7, 2021

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

AN ACT to amend the insurance law, in relation to the organization of assessment corporations

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

1 Section 1. The opening paragraph of subsection (a) of section 6605 of
2 the insurance law, as amended by a chapter of the laws of 2020, amending
3 the insurance law relating to the organization of assessment corporations,
4 as proposed in legislative bills numbers S. 4081 and A. 7110,
5 is amended to read as follows:

6 An assessment corporation may be organized and licensed in the manner
7 prescribed in section six thousand six hundred three of this article and
8 may do, in addition to the kind of insurance specified in paragraph four
9 of subsection (a) of section one thousand one hundred thirteen of this
10 chapter, any one or more of the kinds of insurance specified in paragraphs
11 five, six, seven and eight of such subsection solely in conjunction
12 with fire insurance written under the same policy and covering the
13 same premises and insurance against loss or damage to property caused by
14 aircraft or vehicles in compliance with the following prerequisites:

15 § 2. Subsection (b) of section 6605 of the insurance law, as amended
16 by a chapter of the laws of 2020, amending the insurance law relating to
17 the organization of assessment corporations, as proposed in legislative
18 bills numbers S. 4081 and A. 7110, is amended to read as follows:

19 (b) (1) Any licensed assessment corporation may amend its charter and
20 be licensed to do the kinds of insurance specified in paragraphs nine,
21 thirteen, fourteen and fifteen (except workers' compensation insurance)
22 of subsection (a) of section one thousand one hundred thirteen of this
23 chapter solely in conjunction with fire insurance written under the same
24 policy and covering the same premises, except as provided in paragraph
25 two of this subsection, and may be licensed to do the kinds of insurance

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

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1 specified in paragraphs twelve, nineteen (excluding aircraft physical
2 damage insurance) and twenty (inland marine only) of such subsection.

3 (2) An assessment corporation licensed to write the kinds of insurance
4 specified in paragraphs thirteen and fourteen of subsection (a) of
5 section one thousand one hundred thirteen of this chapter is authorized
6 to write personal or commercial umbrella liability insurance [~~or any~~
7 ~~other type of standalone liability insurance, excluding automobile~~
8 ~~insurance~~].

9 § 3. Subsection (d) of section 6605 of the insurance law, as added by
10 a chapter of the laws of 2020, amending the insurance law relating to
11 the organization of assessment corporations, as proposed in legislative
12 bills numbers S. 4081 and A. 7110, is amended and a new subsection (e)
13 is added to read as follows:

14 (d) An assessment corporation licensed to write the kinds of insurance
15 specified in paragraphs thirteen and fourteen of subsection (a) of
16 section one thousand one hundred thirteen of this chapter [~~is~~] author-
17 ized to write personal or commercial umbrella liability insurance [~~or~~
18 ~~any other type of standalone liability insurance, excluding automobile~~
19 ~~insurance. Except as herein provided, the corporation must~~] shall main-
20 tain an additional surplus [~~or fifty~~] of six hundred thousand dollars if
21 the corporation writes personal or commercial umbrella liability insur-
22 ance. [~~The additional surplus is not necessary if the whole risk for~~
23 ~~this peril is reinsured in an insurance company authorized to do busi-~~
24 ~~ness in this state, or in an accredited reinsurer, as defined in~~
25 ~~subsection (a) of section one hundred seven of this chapter.~~]

26 (e) Nothing in this section shall prohibit a licensed assessment
27 corporation from writing coverage pursuant to subsection (a) or (b) of
28 this section for any leaseholder of the premises.

29 § 4. This act shall take effect on the same date and in the same
30 manner as a chapter of the laws of 2020, amending the insurance law
31 relating to the organization of assessment corporations, as proposed in
32 legislative bills numbers S. 4081 and A. 7110, takes effect.