

# STATE OF NEW YORK

3222--A

2021-2022 Regular Sessions

## IN ASSEMBLY

January 22, 2021

Introduced by M. of A. HUNTER -- read once and referred to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 Assembly, do enact as follows:

1 Section 1. Paragraph 33 of subsection (a) of section 1113 of the  
2 insurance law, as renumbered by section 23 of part L of chapter 56 of  
3 the laws of 2020, is renumbered paragraph 34 and a new paragraph 33 is  
4 added to read as follows:

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

19 § 2. Subsection (a) of section 2105 of the insurance law, as amended  
20 by section 24 of part L of chapter 56 of the laws of 2020, 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

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

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1 article, or who or which is licensed as an excess line broker in the  
 2 licensee's home state, provided, however, that the applicant's home  
 3 state grants non-resident licenses to residents of this state on the  
 4 same basis, except that reciprocity is not required in regard to the  
 5 placement of liability insurance on behalf of a purchasing group or any  
 6 of its members; authorizing such person, firm, association or corpo-  
 7 ration to procure, subject to the restrictions herein provided, policies  
 8 of insurance from insurers which are not authorized to transact business  
 9 in this state of the kind or kinds of insurance specified in paragraphs  
 10 four through fourteen, sixteen, seventeen, nineteen, twenty, twenty-two,  
 11 twenty-seven, twenty-eight, thirty-one, ~~and~~ thirty-two and thirty-  
 12 three of subsection (a) of section one thousand one hundred thirteen of  
 13 this chapter and in subsection (h) of this section, provided, however,  
 14 that the provisions of this section and section two thousand one hundred  
 15 eighteen of this article shall not apply to ocean marine insurance and  
 16 other contracts of insurance enumerated in subsections (b) and (c) of  
 17 section two thousand one hundred seventeen of this article. Such license  
 18 may be suspended or revoked by the superintendent whenever in his or her  
 19 judgment such suspension or revocation will best promote the interests  
 20 of the people of this state.

21 § 3. Subsection (b) of section 4101 of the insurance law, as amended  
 22 by section 25 of part L of chapter 56 of the laws of 2020, is amended to  
 23 read as follows:

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

28 accident and health (item (i) of (3));  
 29 non-cancellable disability (item (ii) of (3));  
 30 miscellaneous property (5);  
 31 water damage (6);  
 32 collision (12);  
 33 property damage liability (14) - non-basic as to mutual companies  
 34 only;  
 35 motor vehicle and aircraft physical damage (19);  
 36 inland marine as specified in marine and inland marine (20);  
 37 marine protection and indemnity (21) - non-basic as to stock companies  
 38 only;  
 39 residual value (22);  
 40 credit unemployment (24);  
 41 gap (26);  
 42 prize indemnification (27);  
 43 service contract reimbursement (28);  
 44 legal services insurance (29);  
 45 involuntary unemployment insurance (30);  
 46 salary protection insurance (31);  
 47 donor medical expense insurance (32);  
 48 excess business disability insurance (33).

49 § 4. Group A of table one as contained in paragraph 1 of subsection  
 50 (a) of section 4103 of the insurance law, as amended by section 26 of  
 51 part L of chapter 56 of the laws of 2020, is amended to read as follows:

52 Group A:

53 7	\$300,000	\$150,000
54 8, 9, 10, 11, or 14 - for each such kind	\$100,000	\$ 50,000

1	13 or 15 - for each such kind	\$500,000	\$250,000
2	16	\$900,000	\$450,000
3	17	\$400,000	\$200,000
4	Basic additional amount		
5	required for any one		
6	or more of the above		
7	kinds of insurance	\$100,000	\$ 50,000
8	3(i), 3(ii), 6{1} or 12{2} - for each		
9	such kind	\$100,000	\$ 50,000
10	22	\$2,000,000	\$1,000,000
11	24	\$400,000	\$200,000
12	26(B)	\$200,000	\$100,000
13	26(A), 26(C) or 26(D) -		
14	for each such kind	\$600,000	\$300,000
15	27	\$300,000	\$150,000
16	28	\$2,000,000	\$1,000,000
17	30	\$400,000	\$200,000
18	31	\$100,000	\$ 50,000
19	32	\$100,000	\$ 50,000
20	<u>33</u>	<u>\$100,000</u>	<u>\$ 50,000</u>

21 § 5. Group C of table three as contained in subsection (b) of section  
 22 4107 of the insurance law, as amended by section 27 of part L of chapter  
 23 56 of the laws of 2020, is amended to read as follows:

24 Group C:

25	3(i) or 3(ii) - for each such kind	\$ 100,000	\$ 100,000
26	22	\$3,000,000	\$2,000,000
27	24	\$ 300,000	\$ 300,000
28	26 (B)	\$ 300,000	\$ 200,000
29	26(A), 26(C) or 26(D) -		
30	for each such kind	\$ 900,000	\$ 600,000
31	28	\$3,000,000	\$2,000,000
32	6{5}, 12{6} or 14{2} - for		
33	each such kind	\$ 50,000	\$ 50,000
34	27	\$ 300,000	\$ 150,000
35	30	\$ 300,000	\$ 300,000
36	31	\$ 100,000	\$ 100,000
37	32	\$ 100,000	\$ 100,000
38	<u>33</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

39 § 6. This act shall take effect immediately.