STATE OF NEW YORK

5241--A

2021-2022 Regular Sessions

IN ASSEMBLY

February 12, 2021

Introduced by M. of A. HUNTER, CYMBROWITZ -- 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 simplifying the excess line insurance placement affidavit requirements

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

Section 1. Subparagraph (A) of paragraph 3 of subsection (b) of section 2118 of the insurance law, as amended by section 12 of part I of chapter 61 of the laws of 2011, is amended to read as follows:

(A) Except as provided in subparagraph (F) **and subject to subparagraph (C)** of this paragraph, submission of insurance documents to the excess line association shall be accompanied by a statement subscribed to, and affirmed by, the licensee or sublicensee as true under the penalties of perjury that, after diligent effort, the full amount of insurance required could not be procured, from authorized insurers, each of which is authorized to write insurance of the kind requested and which the licensee has reason to believe might consider writing the type of coverage or class of insurance involved, and further showing that the amount of insurance procured from an unauthorized insurer is only the excess over the amount procurable from an authorized insurer. The licensee, however, shall be excused from affirming that a diligent effort, as defined above, was made to procure the coverage from authorized insurers if the licensee's affidavit is accompanied by the affidavit of another broker involved in the placement affirming as true under the penalties of perjury that, after diligent effort by the affirming broker, the required insurance could not be procured from an authorized insurer which the affirming broker had reason to believe might consider writing the type of coverage or class of insurance involved. The licensee and the affirming broker shall be excused from affirming that a diligent

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

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effort was made if the superintendent determines, pursuant to paragraph four of this subsection, that no declinations are required.

§ 2. Subparagraph (C) of paragraph 3 of subsection (b) of section 2118 of the insurance law, as amended by chapter 684 of the laws of 1993, is amended to read as follows:

(C) Every licensee, or affirming broker, in connection with the placement of each risk pursuant to this section **not otherwise exempt from the diligent effort requirement**, shall record on the affidavit required pursuant to subparagraph (A) of this paragraph the **name and National Association of Insurance Commissioners (NAIC) code of each authorized insurer declining a risk and** information relied upon that formed the basis of such licensee's or affirming broker's reason to believe that the authorized insurer might consider writing the type of coverage or class of insurance involved. **No additional diligent effort information shall be reported on the affidavit.**

§ 3. This act shall take effect immediately, provided, however, that the amendments to subparagraphs (A) and (C) of paragraph 3 of subsection (b) of section 2118 of the insurance law made by sections one and two of this act shall not affect the expiration of such subsection and shall be deemed to expire therewith.