STATE OF NEW YORK

5760--A

Cal. No. 743

2021-2022 Regular Sessions

IN SENATE

March 18, 2021

Introduced by Sens. BRESLIN, GAUGHRAN, HELMING, JORDAN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, passed by Senate and delivered to the Assembly, recalled, vote reconsidered, restored to third reading, amended and ordered reprinted, retaining its place in the order of third reading

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:

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

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

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

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§ 2. Subsection (a) of section 2105 of the insurance law, as amended by section 24 of part L of chapter 56 of the laws of 2020, is amended to read as follows:

(a) The superintendent may issue an excess line broker's license to any person, firm, association or corporation who or which is licensed as an insurance broker under section two thousand one hundred four of this article, or who or which is licensed as an excess line broker in the 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, thirty-one, [~~and~~] thirty-two **and thirty-three** 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 section 25 of part L of chapter 56 of the laws of 2020, 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);
donor medical expense insurance (32)**;**
excess business disability insurance (33).

§ 4. Group A of table one as contained in paragraph 1 of subsection (a) of section 4103 of the insurance law, as amended by section 26 of part L of chapter 56 of the laws of 2020, 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
Basic additional amount required for any one or more of the above kinds of insurance	$100,000	$ 50,000
3(i), 3(ii), 6{1} or 12{2} - for each such kind	$100,000	$ 50,000
22	$2,000,000	$1,000,000
24	$400,000	$200,000
26(B)	$200,000	$100,000
26(A), 26(C) or 26(D) - for each such kind	$600,000	$300,000
27	$300,000	$150,000
28	$2,000,000	$1,000,000
30	$400,000	$200,000
31	$100,000	$ 50,000
32	$100,000	$ 50,000
33	**$100,000**	**$ 50,000**

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

Group C:

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

§ 6. This act shall take effect immediately.