

STATE OF NEW YORK

5760

2021-2022 Regular Sessions

IN SENATE

March 18, 2021

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

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

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

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

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

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

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

51 Group A:

52 7	\$300,000	\$150,000
53 8, 9, 10, 11, or 14 - for each such kind	\$100,000	\$ 50,000
54 13 or 15 - for each such kind	\$500,000	\$250,000

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

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

23 Group C:

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

38 § 6. This act shall take effect immediately; provided, however, that
 39 if sections 23, 24, 25, 26 and 27 of part L of chapter 56 of the laws of
 40 2020 shall not have taken effect on or before such date then this act
 41 shall take effect on the same date and in the same manner as such
 42 sections of such part of such chapter of the laws of 2020, takes effect.