STATE OF NEW YORK

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5760--A

Cal. No. 743

2021-2022 Regular Sessions

IN SENATE

March 18, 2021
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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 Assem-
bly, 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 bodi-
 9 ly 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.

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

                                                        LBD06807-03-1

 1   § 2. Subsection (a) of section 2105 of the insurance law, as amended
 2 by section 24 of part L of chapter 56 of the laws of 2020, is amended to
 3 read as follows:
 4   (a) The superintendent may issue an excess line broker's license to
 5 any person, firm, association or corporation who or which is licensed as
 6 an insurance broker under section two thousand one hundred four of this
 7 article, or who or which is licensed as an excess line broker in the
 8 licensee's home state, provided, however, that the applicant's home
 9 state grants non-resident licenses to residents of this state on the
10 same basis, except that reciprocity is not required in regard to the
11 placement of liability insurance on behalf of a purchasing group or any
12 of its members; authorizing such person, firm, association or corpo-
13 ration to procure, subject to the restrictions herein provided, policies
14 of insurance from insurers which are not authorized to transact business
15 in this state of the kind or kinds of insurance specified in paragraphs
16 four through fourteen, sixteen, seventeen, nineteen, twenty, twenty-two,
17 twenty-seven, twenty-eight, thirty-one, [~~and~~] thirty-two **and thirty-**
18 **three** of subsection (a) of section one thousand one hundred thirteen of
19 this chapter and in subsection (h) of this section, provided, however,
20 that the provisions of this section and section two thousand one hundred
21 eighteen of this article shall not apply to ocean marine insurance and
22 other contracts of insurance enumerated in subsections (b) and (c) of
23 section two thousand one hundred seventeen of this article. Such license
24 may be suspended or revoked by the superintendent whenever in his or her
25 judgment such suspension or revocation will best promote the interests
26 of the people of this state.
27   § 3. Subsection (b) of section 4101 of the insurance law, as amended
28 by section 25 of part L of chapter 56 of the laws of 2020, is amended to
29 read as follows:
30   (b) "Non-basic kinds of insurance" means the kinds of insurance
31 described in the following paragraphs of subsection (a) of section one
32 thousand one hundred thirteen of this chapter numbered therein as set
33 forth in parentheses below:
34   accident and health (item (i) of (3));
35   non-cancellable disability (item (ii) of (3));
36   miscellaneous property (5);
37   water damage (6);
38   collision (12);
39   property damage liability (14) - non-basic as to mutual companies
40 only;
41   motor vehicle and aircraft physical damage (19);
42   inland marine as specified in marine and inland marine (20);
43   marine protection and indemnity (21) - non-basic as to stock companies
44 only;
45   residual value (22);
46   credit unemployment (24);
47   gap (26);
48   prize indemnification (27);
49   service contract reimbursement (28);
50   legal services insurance (29);
51   involuntary unemployment insurance (30);
52   salary protection insurance (31);
53   donor medical expense insurance (32)**;**
54   **excess business disability insurance (33)**.

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

4   Group A:

5 7	$300,000	$150,000
6 8, 9, 10, 11, or 14 - for each such kind	$100,000	$ 50,000
7 13 or 15 - for each such kind	$500,000	$250,000
8 16	$900,000	$450,000
9 17	$400,000	$200,000
10 Basic additional amount		
11 required for any one		
12 or more of the above		
13 kinds of insurance	$100,000	$ 50,000
14 3(i), 3(ii), 6{1} or 12{2} - for each		
15 such kind	$100,000	$ 50,000
16 22	$2,000,000	$1,000,000
17 24	$400,000	$200,000
18 26(B)	$200,000	$100,000
19 26(A), 26(C) or 26(D) -		
20 for each such kind	$600,000	$300,000
21 27	$300,000	$150,000
22 28	$2,000,000	$1,000,000
23 30	$400,000	$200,000
24 31	$100,000	$ 50,000
25 32	$100,000	$ 50,000
26 **33**	**$100,000**	**$ 50,000**

27   § 5. Group C of table three as contained in subsection (b) of section
28 4107 of the insurance law, as amended by section 27 of part L of chapter
29 56 of the laws of 2020, is amended to read as follows:

30   Group C:

31 3(i) or 3(ii) - for each such kind	$ 100,000	$ 100,000
32 22	$3,000,000	$2,000,000
33 24	$ 300,000	$ 300,000
34 26 (B)	$ 300,000	$ 200,000
35 26(A), 26(C) or 26(D) -		
36 for each such kind	$ 900,000	$ 600,000
37 28	$3,000,000	$2,000,000
38 6{5}, 12{6} or 14{2} - for		
39 each such kind	$ 50,000	$ 50,000
40 27	$ 300,000	$ 150,000
41 30	$ 300,000	$ 300,000
42 31	$ 100,000	$ 100,000
43 32	$ 100,000	$ 100,000
44 **33**	**$ 100,000**	**$ 100,000**

45   § 6. This act shall take effect immediately.