STATE OF NEW YORK

903

2021-2022 Regular Sessions

IN SENATE

(Prefiled)

January 6, 2021

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the insurance law, in relation to the organization of assessment corporations

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

Section 1. The opening paragraph of subsection (a) of section 6605 of the insurance law, as amended by a chapter of the laws of 2020, amending the insurance law relating to the organization of assessment corporations, as proposed in legislative bills numbers S. 4081 and A. 7110, is amended to read as follows:

An assessment corporation may be organized and licensed in the manner prescribed in section six thousand six hundred three of this article and may do, in addition to the kind of insurance specified in paragraph four of subsection (a) of section one thousand one hundred thirteen of this chapter, any one or more of the kinds of insurance specified in paragraphs five, six, seven and eight of such subsection *solely in conjunction with fire insurance written under the same policy and covering the same premises* and insurance against loss or damage to property caused by aircraft or vehicles in compliance with the following prerequisites:

§ 2. Subsection (b) of section 6605 of the insurance law, as amended by a chapter of the laws of 2020, amending the insurance law relating to the organization of assessment corporations, as proposed in legislative bills numbers S. 4081 and A. 7110, is amended to read as follows:

(b) *(1)* Any licensed assessment corporation may amend its charter and be licensed to do the kinds of insurance specified in paragraphs nine, thirteen, fourteen and fifteen (except workers' compensation insurance) of subsection (a) of section one thousand one hundred thirteen of this chapter *solely in conjunction with fire insurance written under the same policy and covering the same premises, except as provided in paragraph*

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

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two of this subsection, and may be licensed to do the kinds of insurance specified in paragraphs twelve, nineteen (excluding aircraft physical damage insurance) and twenty (inland marine only) of such subsection.

(2) An assessment corporation licensed to write the kinds of insurance specified in paragraphs thirteen and fourteen of subsection (a) of section one thousand one hundred thirteen of this chapter is authorized to write personal or commercial umbrella liability insurance [~~or any other type of standalone liability insurance, excluding automobile insurance~~].

§ 3. Subsection (d) of section 6605 of the insurance law, as added by a chapter of the laws of 2020, amending the insurance law relating to the organization of assessment corporations, as proposed in legislative bills numbers S. 4081 and A. 7110, is amended and a new subsection (e) is added to read as follows:

(d) An assessment corporation licensed to write the kinds of insurance specified in paragraphs thirteen and fourteen of subsection (a) of section one thousand one hundred thirteen of this chapter [~~is~~] authorized to write personal or commercial umbrella liability insurance [~~or any other type of standalone liability insurance, excluding automobile insurance. Except as herein provided, the corporation must~~] shall maintain an additional surplus [~~or fifty~~] of six hundred thousand dollars if the corporation writes personal or commercial umbrella liability insurance. [~~The additional surplus is not necessary if the whole risk for this peril is reinsured in an insurance company authorized to do business in this state, or in an accredited reinsurer, as defined in subsection (a) of section one hundred seven of this chapter.~~]

(e) Nothing in this section shall prohibit a licensed assessment corporation from writing coverage pursuant to subsection (a) or (b) of this section for any leaseholder of the premises.

§ 4. This act shall take effect on the same date and in the same manner as a chapter of the laws of 2020, amending the insurance law relating to the organization of assessment corporations, as proposed in legislative bills numbers S. 4081 and A. 7110, takes effect.