

STATE OF NEW YORK

8003

2023-2024 Regular Sessions

IN ASSEMBLY

September 1, 2023

Introduced by M. of A. HAWLEY, REILLY, BYRNES, BLANKENBUSH, DiPIETRO, GALLAHAN, J. M. GIGLIO, SMULLEN, E. BROWN -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to supplemental spousal liability insurance for married insureds

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

1 Section 1. Paragraph 2 of subsection (g) of section 3420 of the insurance law, as amended by chapter 735 of the laws of 2022, is amended to
2 read as follows:
3

4 (2) (A) Every insurer issuing or delivering any policy that satisfies
5 the requirements of article six of the vehicle and traffic law shall
6 provide coverage in such policy against liability of [~~an~~] a married
7 insured because of death of or injuries to his or her spouse up to the
8 liability insurance limits provided under such policy even where the
9 injured spouse, to be entitled to recover, must prove the culpable
10 conduct of the insured spouse, unless the married insured elects, in
11 writing and in such form as the superintendent determines, to decline
12 and refuse such coverage in his or her policy. Such insurance coverage
13 shall be known as "supplemental spousal liability insurance".

14 (B) Upon issuance, renewal or amendment of a motor vehicle liability
15 policy that satisfies the requirements of article six of the vehicle and
16 traffic law, the insurer shall notify the married insured, in writing,
17 that such policy shall include supplemental spousal liability insurance
18 unless the married insured declines and refuses such insurance, in writ-
19 ing and in such form as shall be determined by the superintendent. Such
20 notification shall be contained on the front of the premium notice in
21 boldface type and include a concise statement that supplementary spousal
22 coverage is provided unless declined by the married insured, an explana-
23 tion of such coverage, and the insurer's premium for such coverage.

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

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1 (C) The insurer's requirements in subparagraphs (A) and (B) of this
2 paragraph shall apply only to policies issued or delivered to an insured
3 who is married. An insurer shall not provide supplemental spousal
4 liability insurance coverage in any policy to an insured who is not
5 married, unless the single or unmarried insured elects, in writing and
6 in such form as the superintendent determines, to accept and request
7 such coverage in his or her policy.

8 (D) Upon issuance, renewal or amendment of a motor vehicle liability
9 policy that satisfies the requirements of article six of the vehicle and
10 traffic law, the insurer shall notify the single or unmarried insured,
11 in writing, that such policy shall not include supplemental spousal
12 liability insurance unless the single or unmarried insured accepts and
13 requests such insurance, in writing and in such form as shall be deter-
14 mined by the superintendent. Such notification shall be contained on the
15 front of the premium notice in boldface type and include a concise
16 statement that supplementary spousal coverage is not provided unless
17 requested by the single or unmarried insured, an explanation of such
18 coverage including a statement that such coverage does not benefit
19 insureds that are not married, and the single or unmarried insurer's
20 premium for such coverage.

21 § 2. Paragraphs 1 and 2 of subsection (g) of section 3420 of the
22 insurance law, as amended by chapter 584 of the laws of 2002, are
23 amended and two new paragraphs 3 and 4 are added to read as follows:

24 (1) Upon written request of an insured, and upon payment of a reason-
25 able premium established in accordance with article twenty-three of this
26 chapter, an insurer issuing or delivering any policy that satisfies the
27 requirements of article six of the vehicle and traffic law shall provide
28 coverage against liability of ~~an~~ a married insured because of death of
29 or injuries to his or her spouse up to the liability insurance limits
30 provided under such policy even where the injured spouse, to be entitled
31 to recover, must prove the culpable conduct of the insured spouse. Such
32 insurance coverage shall be known as "supplemental spousal liability
33 insurance".

34 (2) Upon issuance of a motor vehicle liability policy that satisfies
35 the requirements of article six of the vehicle and traffic law and that
36 becomes effective on or after January first, two thousand three, pursu-
37 ant to regulations promulgated by the superintendent, the insurer shall
38 notify the married insured, in writing, of the availability of supple-
39 mental spousal liability insurance. Such notification shall be contained
40 on the front of the premium notice in boldface type and include a
41 concise statement that supplementary spousal coverage is available, an
42 explanation of such coverage, and the insurer's premium for such cover-
43 age. Subsequently, a notification of the availability of supplementary
44 spousal liability coverage shall be provided at least once a year in
45 motor vehicle liability policies issued pursuant to article six of the
46 vehicle and traffic law, including those originally issued prior to
47 January first, two thousand three. Such notice must include a concise
48 statement that supplementary spousal coverage is available, an explana-
49 tion of such coverage, and the insurer's premium for such coverage.

50 (3) The insurer's requirements in paragraphs one and two of this
51 subsection shall apply only to policies issued or delivered to an
52 insured who is married. An insurer shall not provide supplemental spous-
53 al liability insurance coverage in any policy to an insured who is not
54 married, unless the single or unmarried insured elects, in writing and
55 in such form as the superintendent determines, to accept and request
56 such coverage in his or her policy.

1 (4) Upon issuance, renewal or amendment of a motor vehicle liability
2 policy that satisfies the requirements of article six of the vehicle and
3 traffic law, the insurer shall notify the single or unmarried insured,
4 in writing, that such policy shall not include supplemental spousal
5 liability insurance unless the single or unmarried insured accepts and
6 requests such insurance, in writing and in such form as shall be deter-
7 mined by the superintendent. Such notification shall be contained on the
8 front of the premium notice in boldface type and include a concise
9 statement that supplementary spousal coverage is not provided unless
10 requested by the single or unmarried insured, an explanation of such
11 coverage including a statement that such coverage does not benefit
12 insureds that are not married, and the single or unmarried insurer's
13 premium for such coverage.

14 § 3. This act shall take effect on the one hundred twentieth day after
15 it shall have become a law; provided, however that the amendments to
16 paragraph two of subsection (g) of section 3420 of the insurance law
17 made by section one of this act shall be subject to the expiration and
18 reversion of such subsection pursuant to section 2 of chapter 735 of the
19 laws of 2022, as amended, when upon such date the provisions of section
20 two of this act shall take effect.