STATE OF NEW YORK

9407

IN ASSEMBLY

March 13, 2024

Introduced by M. of A. WEPRIN -- read once and referred to the Committee on Insurance

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

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

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

(g) (1) Except as otherwise provided in paragraph two of this subsection, no policy or contract shall be deemed to insure against any liability of an insured because of death of or injuries to [~~his or her~~] **the insured's** spouse or because of injury to, or destruction of property of [~~his or her~~] **the insured's** spouse unless express provision relating specifically thereto is included in the policy. This exclusion shall apply only where the injured spouse, to be entitled to recover, must prove the culpable conduct of the insured spouse.

(2) (A) [~~Every~~] **(i) Upon payment of a reasonable premium established in accordance with article twenty-three of this chapter, an** insurer issuing or delivering any policy that satisfies the requirements of article six of the vehicle and traffic law **and is subject to section three thousand four hundred twenty-five of this article** shall provide coverage in such **a** policy **issued to a first named insured who has indicated that such insured has a spouse on the insurance application,** against liability of an insured because of death of or injuries to [~~his or her~~] **the insured's** spouse up to the liability insurance limits provided under such policy even where the injured spouse, to be entitled to recover, must prove the culpable conduct of the insured spouse, unless [~~the~~] **a first named** insured elects, in writing and in such form as the superintendent determines, to decline and refuse such coverage in [~~his or her~~] **the first named insured's** policy. Such insurance coverage shall be known as "supplemental spousal liability insurance".

(ii) Upon written request of an insured, and upon payment of a reasonable premium established in accordance with article twenty-three of this

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

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chapter, an insurer issuing or delivering any policy that satisfies the requirements of article six of the vehicle and traffic law, other than as specified in clause (i) of this subparagraph, shall provide coverage in such a policy against liability of an insured because of death of or injuries to the insured's spouse up to the liability insurance limits provided under such policy even where the injured spouse, to be entitled to recover, must prove the culpable conduct of the insured spouse.

(B) Upon issuance, renewal or amendment of a motor vehicle liability policy that satisfies the requirements of article six of the vehicle and traffic law **and is subject to section three thousand four hundred twenty-five of this article**, the insurer shall notify [~~the~~] **a first named** insured **who has indicated that such insured has a spouse on the insurance application or that has requested supplemental spousal liability insurance pursuant to clause (ii) of subparagraph (A) of this paragraph**, in writing, that such policy shall include supplemental spousal liability insurance unless [~~the~~] **a first named** insured declines and refuses such insurance, in writing and in such form as shall be determined by the superintendent. Such notification shall be contained on the front of the premium notice in boldface type and include a concise statement that [~~supplementary~~] **supplemental** spousal coverage is provided unless declined by [~~the~~] **a first named** insured, an explanation of such coverage, and the insurer's premium for such coverage.

(C) A notification of the availability of supplemental spousal liability insurance shall be provided upon policy issuance, other than for the policies to which the notification requirement in subparagraph (B) of this paragraph applies, and at least once a year for all motor vehicle liability policies that satisfy the requirements of article six of the vehicle and traffic law, where the policy does not already provide supplemental spousal liability insurance. Such notice shall be contained on the front of the premium notice in boldface type and include a concise statement that supplemental spousal liability coverage is available, an explanation of such coverage, and the insurer's premium for such coverage.

§ 2. This act shall take effect on the one hundred eightieth day after it shall have become a law and shall apply to policies issued, renewed or modified on or after such date; provided, however that the amendments to subsection (g) of section 3420 of the insurance law made by section one of this act shall be subject to the expiration and reversion of such subsection pursuant to section 2 of chapter 735 of the laws of 2022, as amended.