STATE OF NEW YORK

9427

IN ASSEMBLY

March 14, 2024

Introduced by M. of A. SOLAGES -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law, in relation to requiring service companies to obtain liability insurance coverage sufficient to cover the value of property consigned to or deposited with such business by customers of the business

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

Section 1. The general business law is amended by adding a new section 392-k to read as follows:

§ 392-k. Insurance requirement. 1. Except as otherwise required by law, every service company licensed to do business in this state shall obtain a minimum of one million dollars all risk or comprehensive general liability insurance coverage and such additional amounts as are sufficient to cover the value of property consigned to or deposited with such business by customers of the business for cleaning, repair, alteration or enhancement.

2. A current written certificate or certificates of insurance shall be conspicuously displayed on the premises of such service company in an area accessible to customers of the service company.

3. Failure by a service company to keep such all risk insurance or comprehensive general liability insurance coverage in full force and effect, shall be grounds for the secretary of state to refuse to issue or renew a license or permit or to suspend or revoke such license or permit.

4. All such insurance required by this section shall be issued by an insurer authorized to do business in the state or otherwise be procured by an excess line broker duly licensed pursuant to the applicable provisions of the insurance law.

5. As used in this section "service company" means any business that takes someone's property into its care, including but not limited to a dry cleaning establishment, repair shop, storage center, and auto mechanic shop.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law.

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

LBD14595-01-4