STATE OF NEW YORK

2803

2023-2024 Regular Sessions

IN SENATE

January 24, 2023

Introduced by Sens. LANZA, GALLIVAN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to inspections of private passenger automobiles prior to the provision of coverage for physical damage thereto

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

Section 1. The section heading and subsections (d), (g) and (m) of section 3411 of the insurance law are amended to read as follows:

Automobile physical damage insurance covering private passenger automobiles; standard provisions; [~~required~~] inspections; duties of insurers and insureds.

(d) A newly issued policy shall not provide coverage for automobile physical damage perils prior to an inspection of the automobile by the insurer**, unless the insurer has waived the right to such inspection pursuant to a statement of operation filed with the superintendent. In its statement of operation, an insurer may waive the right to inspect some or all automobiles. Every statement of operation shall take effect upon its filing with the superintendent and may cover some or all automobiles**.

(g) If an automobile subject to the provisions of this section is acquired by the insured as a replacement for or an addition to an automobile insured for physical damage coverage, and the insured requests physical damage coverage for the replacement or additional automobile, such coverage for physical damage shall not be effective before such inspection is made**, unless the insurer has waived the right to such an inspection pursuant to a statement of operation filed with the superintendent**. If, at the time of the request for such coverage, the automobile is unavailable for inspection because of conditions of purchase or other circumstances and is thereafter made available for inspection,

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

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the insurer shall promptly inspect the automobile, and physical damage coverage shall not become effective before the inspection has been made.

(m) (1) The superintendent, in regulations implementing the provisions of this section, shall also require that insurers take appropriate action to ensure that there is wide public dissemination of the provisions of this section relating to the rights and obligations of insureds and insurers.

(2) The inspections provided for in this section may be dispensed with or deferred **by an insurer** under circumstances specified **in their statement of operation filed with the superintendent or** in regulations of the superintendent. Such circumstances may include but are not limited to, the insuring of a new automobile, the insuring of an automobile whose inspection would constitute a serious hardship to the insurer, the insured or an applicant for insurance, and the insuring of an automobile for a limited specified period of time.

(3) Inspections made pursuant to this section shall be made at locations and times reasonably convenient to the insured. The results of any inspection may be considered in determining the value of the automobile.

§ 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to all insurance policies issued, renewed, altered or modified on or after such effective date.