

STATE OF NEW YORK

4035

2023-2024 Regular Sessions

IN SENATE

February 2, 2023

Introduced by Sen. SCARCELLA-SPANTON -- read twice and ordered printed,
and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, the penal law, and the vehicle and
traffic law, in relation to authorizing the investigation of insurance
fraud and fines related to the commission of such crime and combatting
the theft of motor vehicles

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

1 Section 1. Section 401 of the insurance law is amended by adding a new
2 subsection (d) to read as follows:

3 (d) The superintendent shall have authority pursuant to this chapter
4 to investigate fraudulent activities with regard to individuals that
5 operate motor vehicles with no insurance coverage, and motor vehicle
6 insureds who misrepresent the principal place where insured motor vehi-
7 cles are garaged and operated. Operating motor vehicles without proper
8 insurance in violation of article six of the vehicle and traffic law is
9 a significant danger to the public because drivers are unable to compen-
10 sate individuals for personal injuries, death and property damage they
11 inflict upon others. Furthermore, motor vehicle insureds who misrepre-
12 sent the principal place where such vehicles are garaged and operated
13 improperly shift their high liability exposure costs to other motor
14 vehicle insureds that do not face such high liability risk and insurance
15 premium costs.

16 § 2. Subsection (a) of section 405 of the insurance law, as amended by
17 section 7 of part A of chapter 62 of the laws of 2011, is amended to
18 read as follows:

19 (a) Any person licensed or registered pursuant to the provisions of
20 this chapter, and any person engaged in the business of insurance or
21 life settlement in this state who is exempted from compliance with the
22 licensing requirements of this chapter, including the state insurance
23 fund of this state, who has reason to believe that an insurance trans-

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

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1 action or life settlement act may be fraudulent, or has knowledge that a
2 fraudulent insurance transaction or fraudulent life settlement act is
3 about to take place, or has taken place shall, within thirty days after
4 determination by such person that the transaction appears to be fraudu-
5 lent, send to the superintendent on a form prescribed by the superinten-
6 dent, the information requested by the form and such additional informa-
7 tion relative to the factual circumstances of the transaction and the
8 parties involved as the superintendent may require. The superintendent
9 shall accept reports of suspected fraudulent insurance transactions or
10 fraudulent life settlement acts from any self insurer, including but not
11 limited to self insurers providing health insurance coverage, those
12 providing motor vehicle liability insurance or those defined in section
13 fifty of the workers' compensation law, and shall treat such reports as
14 any other received pursuant to this section.

15 § 3. Section 2133 of the insurance law, as amended by chapter 77 of
16 the laws of 1994, is amended to read as follows:

17 § 2133. [~~Forged~~] False insurance documents and forged insurance iden-
18 tification cards. Any insurance company, insurance agent, insurance
19 broker or other person who or which, personally or by the action of an
20 employee or agent, knowingly possesses, produces transfers or uses: (a)
21 any document which purports to evince insurance coverage when such
22 coverage is not in effect or is in effect at limits less than those
23 stated in the document; or (b) a forged insurance identification card
24 for a motor vehicle, having knowledge, personally or through such
25 employee or agent, of the fact that such insurance identification card,
26 when issued, did not actually represent an owner's policy of liability
27 insurance or a financial security bond issued by an insurance company
28 licensed to do business in this state covering the motor vehicle identi-
29 fied on such card, shall be liable for payment to the people of this
30 state of a civil penalty in a sum not exceeding [~~one~~] two thousand
31 dollars for the first such violation and a sum not exceeding five thou-
32 sand dollars for each subsequent violation. For the purposes of this
33 section the term "forged insurance identification card" means a written
34 insurance identification card which has been falsely made, completed or
35 altered, and the term "falsely made, completed or altered" shall have
36 the same meaning as set forth in section 170.00 of the penal law.

37 § 4. Section 165.06 of the penal law, as amended by chapter 413 of the
38 laws of 1982, is amended to read as follows:

39 § 165.06 Unauthorized use of a vehicle in the second degree.

40 A person is guilty of unauthorized use of a vehicle in the second
41 degree when:

42 He or she commits the crime of unauthorized use of a vehicle in the
43 third degree as defined in subdivision one of section 165.05 of this
44 article and has been previously convicted of the crime of unauthorized
45 use of a vehicle [~~in the third degree~~] as defined in [~~subdivision one of~~
46 ~~section 165.05 or second degree~~] sections 165.05, 165.06, and 165.08,
47 auto stripping as defined in sections 165.09, 165.10, and 165.11, grand
48 larceny of a motor vehicle as defined in sections 155.30, 155.35,
49 155.40, and 155.42, criminal possession of stolen property as defined in
50 sections 165.40, 165.45, 165.50, 165.52, and 165.54 and the stolen
51 property consisted of a motor vehicle, or illegal possession of a vehi-
52 cle identification number as defined in section 170.70 within the
53 preceding ten years.

54 Unauthorized use of a vehicle in the second degree is a class E felo-
55 ny.

1 § 5. Subdivision 5 of section 170.10 of the penal law is amended and
2 a new subdivision 6 is added to read as follows:

3 5. A prescription of a duly licensed physician or other person author-
4 ized to issue the same for any drug or any instrument or device used in
5 the taking or administering of drugs for which a prescription is
6 required by law~~[+]~~; or

7 6. A certificate of insurance or an insurance identification card, as
8 defined in section three hundred eleven of the vehicle and traffic law.

9 § 6. Section 170.15 of the penal law is amended to read as follows:
10 § 170.15 Forgery in the first degree.

11 A person is guilty of forgery in the first degree when, with intent to
12 defraud, deceive or injure another, he or she falsely makes, completes
13 or alters ~~[a]~~:

14 1. Ten or more written instruments; or

15 2. A written instrument which is or purports to be, or which is calcu-
16 lated to become or to represent if completed:

17 ~~[1-]~~ (a) Part of an issue of money, stamps, securities or other valu-
18 able instruments issued by a government or governmental instrumentality;
19 or

20 ~~[2-]~~ (b) Part of an issue of stock, bonds or other instruments repres-
21 enting interests in or claims against a corporate or other organization
22 or its property.

23 Forgery in the first degree is a class C felony.

24 § 7. The penal law is amended by adding a new section 175.50 to read
25 as follows:

26 § 175.50 Offering a false application for motor vehicle insurance or
27 registration.

28 A person is guilty of offering a false application for motor vehicle
29 insurance or registration when knowing that any document he or she files
30 with the department of motor vehicles or an insurer providing liability
31 insurance for a motor vehicle contains a false statement or false infor-
32 mation with regard to where he or she resides or where his or her motor
33 vehicle is garaged and operated.

34 Offering a false application for motor vehicle insurance or registra-
35 tion is a class E felony.

36 § 8. Subdivision 1 of section 176.05 of the penal law, as amended by
37 chapter 211 of the laws of 2011, is amended to read as follows:

38 1. any written statement as part of, or in support of, an application
39 for the issuance of, or the rating of a commercial insurance policy, or
40 certificate or evidence of self insurance for commercial or personal
41 insurance or commercial or personal self insurance, or a claim for
42 payment or other benefit pursuant to an insurance policy or self insur-
43 ance program for commercial or personal insurance that he or she knows
44 to:

45 (a) contain materially false information concerning any fact material
46 thereto; or

47 (b) conceal, for the purpose of misleading, information concerning any
48 fact material thereto; or

49 § 9. Section 176.15 of the penal law, as amended by chapter 515 of the
50 laws of 1986, is amended to read as follows:

51 § 176.15 Insurance fraud in the fourth degree.

52 A person is guilty of insurance fraud in the fourth degree when he
53 ~~[commits]~~ or she:

54 1. commits a fraudulent insurance act and thereby wrongfully takes,
55 obtains or withholds, or attempts to wrongfully take, obtain or withhold
56 property with a value in excess of one thousand dollars; or

1 2. operates a motor vehicle on a public highway, when being the owner
2 of such motor vehicle, he or she knows the motor vehicle is insured by a
3 policy issued under the laws of another state, when such person main-
4 tains his or her principal residence in this state or such motor vehicle
5 is principally garaged in this state, and such insurance policy was
6 issued upon any written or oral statement by such person that he or she
7 principally resides in such other state or that such motor vehicle is
8 principally garaged in such other state.

9 Insurance fraud in the fourth degree is a class E felony.

10 § 10. The vehicle and traffic law is amended by adding a new section
11 201-a to read as follows:

12 § 201-a. Access to information. The department, as well as any depart-
13 ment, agency, authority or government entity, maintaining vehicle, resi-
14 dence or EZ pass information, shall allow law enforcement personnel
15 access to any individual's street address provided pursuant to paragraph
16 b of subdivision one of section four hundred one and subdivision one-a
17 of section five hundred two of this chapter.

18 § 11. Paragraph b of subdivision 1 of section 401 of the vehicle and
19 traffic law, as amended by chapter 222 of the laws of 1996, is amended
20 to read as follows:

21 b. Every owner of a motor vehicle which shall be operated or driven
22 upon the public highways of this state shall, except as otherwise
23 expressly provided, cause to be presented, by mail or otherwise, to the
24 office or a branch office of the commissioner, or to any agent of the
25 commissioner, constituted as provided in this chapter, an application
26 for registration addressed to the commissioner, and on a blank to be
27 prepared under the direction of and furnished by the commissioner for
28 that purpose, containing: (a) a brief description of the motor vehicle
29 to be registered, including the name and factory number of such vehicle,
30 and such other facts as the commissioner shall require; (b) the weight
31 of the vehicle upon which the registration fee is based if the fee is
32 based on weight; (c) the name and residence, including county of the
33 owner of such motor vehicle, provided that if the applicant uses a post
34 office box when providing a residence address, such applicant shall also
35 provide the street address at which he or she resides; (d) provided
36 that, if such motor vehicle is used or to be used as an omnibus, the
37 applicant also shall so certify, and in the case of an omnibus also
38 certify as to the seating capacity, and if the omnibus is to be operated
39 wholly within a municipality pursuant to a franchise other than a fran-
40 chise express or implied in articles of incorporation upon certain
41 streets designated in such franchise, those facts shall also be certi-
42 fied, and a certified copy of such franchise furnished to the commis-
43 sioner; (e) provided, that, if such motor vehicle is an altered livery,
44 the applicant shall so furnish a certified copy of the length of the
45 center panel of such vehicle, provided, however, that the commissioner
46 shall require such proof, as he or she may determine is necessary, in
47 the application for registration and provided further, if the center
48 panel of such vehicle exceeds one hundred inches, the commissioner shall
49 require proof that such vehicle is in compliance with all applicable
50 federal and state motor vehicle safety standards; and (f) such addi-
51 tional facts or evidence as the commissioner may require in connection
52 with the application for registration. Every owner of a trailer shall
53 also make application for the registration thereof in the manner herein
54 provided for an application to register a motor vehicle, but shall
55 contain a statement showing the manufacturer's number or other identifi-
56 cation satisfactory to the commissioner and no number plate for a trail-

1 er issued under the provisions of subdivision three of section four
2 hundred two of this [~~chapter~~ article] shall be transferred to or used
3 upon any other trailer than the one for which number plate is issued.
4 The commissioner shall require proof, in the application for registra-
5 tion, or otherwise, as such commissioner may determine, that the motor
6 vehicle for which registration is applied for is equipped with lights
7 conforming in all respects to the requirements of this chapter, and no
8 motor vehicle shall be registered unless it shall appear by such proofs
9 that such motor vehicle is equipped with proper lights as aforesaid. The
10 said application shall contain or be accompanied by such evidence of the
11 ownership of the motor vehicle described in the application as may be
12 required by the commissioner or his or her agent and which, with respect
13 to new vehicles, shall include, unless otherwise specifically provided
14 by the commissioner, the manufacturer's statement of origin. Applica-
15 tions received by an agent of the commissioner shall be forwarded to the
16 commissioner as he or she shall direct for filing. No application for
17 registration shall be accepted unless the applicant is at least sixteen
18 years of age and has signed such application attesting to the truth and
19 veracity of the facts stated therein.

20 § 12. Section 502 of the vehicle and traffic law is amended by adding
21 a new subdivision 1-a to read as follows:

22 1-a. Provision of street address. In addition to the requirements of
23 subdivision one of this section, each applicant, when providing his or
24 her address, shall provide the street address at which he or she
25 resides. The applicant shall sign his or her application attesting to
26 the truth and veracity of the place of his or her residence.

27 § 13. This act shall take effect on the one hundred eightieth day
28 after it shall have become a law; provided however, that sections four,
29 five, six, seven, eight and nine of this act shall take effect on the
30 first of November next succeeding the date on which it shall have become
31 a law.