STATE OF NEW YORK

5959

2023-2024 Regular Sessions

IN SENATE

March 23, 2023

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

AN ACT to amend the insurance law and the vehicle and traffic law, in relation to owner's policies of liability insurance issued by a risk retention group not chartered within this state

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

Section 1. Section 5913 of the insurance law, as added by chapter 109 of the laws of 1988, is amended to read as follows:

§ 5913. Financial responsibility. [~~Wherever~~] **Except as provided in section three hundred eleven of the vehicle and traffic law, wherever** pursuant to the laws of this state or any political subdivision of this state a demonstration of financial responsibility is required as a condition for obtaining a license or permit to undertake specified activities, if any such requirement may not be satisfied by obtaining insurance coverage from an insurer not authorized to do business in this state, such requirement may not be satisfied by purchasing insurance from a risk retention group not chartered in this state.

§ 2. Paragraphs (b) and (c) of subdivision 4 of section 311 of the vehicle and traffic law, paragraph (c) as amended by chapter 200 of the laws of 1974, are amended to read as follows:

(b) In the case of a vehicle registered in this state, a policy issued by **(i)** an insurer duly authorized to transact business in this state **or (ii) a risk retention group not chartered in this state with a minimum of fifteen million dollars of surplus and which exclusively insures 501(c)(3) nonprofit organizations that are registered in this state**; or

(c) In the case of a vehicle lawfully registered in another state, or in both this state and another state, [~~either~~] **(i)** a policy issued by an authorized insurer, or **(ii) a risk retention group not chartered in this state with a minimum of fifteen million dollars of surplus and exclusively insures 501(c)(3) nonprofit organizations that are registered in**

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

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this state, or (iii) a policy issued by an unauthorized insurer authorized to transact business in another state if such unauthorized insurer files with the commissioner in form to be approved by him a statement consenting to service of process and declaring its policies shall be deemed to be varied to comply with the requirements of this article; and

§ 3. The opening paragraph of subdivision 5 of section 311 of the vehicle and traffic law, as amended by chapter 569 of the laws of 1981, is amended to read as follows:

The term "certificate of insurance" shall mean any evidence issued by or on behalf of an insurance company duly authorized to transact business in this state, or risk retention group authorized to issue an owner's policy of liability insurance pursuant to this section, stating in such form as the commissioner may prescribe or approve that such company or such risk retention group has issued an owner's policy of liability insurance on the motor vehicle or vehicles designated therein. Such certificate shall contain information as required by the commissioner including at least the following except as otherwise provided:

§ 4. Subdivision 10 of section 311 of the vehicle and traffic law, as amended by chapter 103 of the laws of 1972, is amended to read as follows:

10. "Insurance Identification Card" shall mean a card issued by or on behalf of an insurance company or bonding company duly authorized to transact business in this state, or risk retention group authorized to issue an owner's policy of liability insurance pursuant to this section, stating in such form as the commissioner may prescribe or approve that such company or such risk retention group has issued an owner's policy of liability insurance or a financial security bond on the motor vehicle or vehicles designated therein. Such card shall contain such information and shall be valid during such period as may be prescribed by the commissioner. If an owner shall have filed a financial security deposit, or shall have qualified as a self-insurer under section three hundred sixteen of this [~~chapter~~] article, the term "insurance identification card" shall mean a card issued by the department which evidences that such deposit has been filed or that such owner has so qualified.

§ 5. This act shall take effect immediately.