

# STATE OF NEW YORK

6760--B

2023-2024 Regular Sessions

## IN SENATE

May 9, 2023

Introduced by Sen. HOYLMAN-SIGAL -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- recommitted to the Committee on Consumer Protection in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law and the insurance law, in relation to insurance requirements for third-party food delivery service

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

1 Section 1. Section 391-v of the general business law, as added by  
2 chapter 693 of the laws of 2021, is amended to read as follows:

3 § 391-v. Third-party food delivery agreements and insurance require-  
4 ments. 1. For the purposes of this section, the following terms shall  
5 have the following meanings:

6 (a) "Agreement" means a written contractual agreement between a food  
7 service establishment and a third-party food delivery service authoriz-  
8 ing the inclusion of the food service establishment's products on the  
9 third-party food delivery platform.

10 (b) "Delivery available period" means the period when a delivery  
11 network driver:

12 (i) has logged on to a digital network;

13 (ii) is available to receive requests to provide delivery services  
14 from a delivery network company;

15 (iii) is operating a personal vehicle; and

16 (iv) is not providing delivery services or operating in the delivery  
17 service period.

18 (c) "Delivery network company" means a corporation, partnership, sole  
19 proprietorship, or other entity that operates in this state and uses a

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

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1 digital network to connect a delivery network company customer to a  
2 delivery network driver to provide delivery services.

3 (d) "Delivery network company customer" or "customer" means a person  
4 who orders goods that are delivered by a delivery network driver at the  
5 direction of such person.

6 (e) "Delivery network company seller" means a corporation, partner-  
7 ship, sole proprietorship, or other entity that operates in this state  
8 and uses a digital network to sell its goods to delivery network company  
9 customers, for delivery by delivery network drivers, which may be a food  
10 service establishment.

11 (f) "Delivery network driver" means an individual who provides inde-  
12 pendent delivery services through a digital network using a personal  
13 vehicle.

14 (g) "Delivery services" means the fulfillment of delivery requests  
15 made by a customer through a digital network, including the pickup of  
16 any goods and the delivery of the goods to a customer by a delivery  
17 network driver. Delivery services may include a series of deliveries to  
18 different customers, or to different locations at the direction of a  
19 customer.

20 (h) "Delivery service period" means the period:

21 (i) beginning when a delivery network driver starts operating a  
22 personal vehicle en route to pick up goods for a delivery or series of  
23 deliveries as documented via a digital network controlled by a delivery  
24 network company;

25 (ii) continuing while the delivery network driver transports the  
26 requested delivery or deliveries; and

27 (iii) ending upon delivery of the requested goods to:

28 (A) the delivery network company customer or the last delivery network  
29 company customer in a series of deliveries or to a location designated  
30 by the delivery network company customer or the last location so desig-  
31 nated in a series of deliveries; or

32 (B) a location designated by the delivery network company, including  
33 for purposes of returning the goods.

34 (i) "Digital network" means any online-enabled application, software,  
35 website, or system offered or utilized by a delivery network company  
36 that enables deliveries with delivery network drivers.

37 (j) "Food service establishment" means a place where food is provided  
38 for individual portion service directly to the consumer whether such  
39 food is provided free of charge or sold, and whether consumption occurs  
40 on or off the premises or is provided from a pushcart, stand or vehicle.

41 ~~(k)~~ (k) "Personal vehicle" means a motor vehicle or a limited use  
42 motorcycle as defined in section one hundred twenty-one-b of the vehicle  
43 and traffic law, that is:

44 (i) used by a delivery network driver to provide delivery services;  
45 and

46 (ii) owned, leased, or otherwise authorized for use by the delivery  
47 network driver.

48 (l) "Third-party food delivery service" means any [~~website, mobile~~  
49 ~~application or other internet service~~] digital network operated by a  
50 delivery network company that offers or arranges for the sale (including  
51 for same-day pickup) or delivery (including same-day delivery) of  
52 products (including food and beverages) prepared by, [~~and the same-day~~  
53 ~~delivery or same-day pickup of food and beverage from,~~] a food service  
54 establishment located in the state.

55 ~~(m)~~ (m) "Third-party food delivery platform" means the online or  
56 mobile platform of the third-party food delivery service on which a

1 consumer can view products available for sale and place an order for a  
2 food service establishment's products.

3 2. (a) A third-party food delivery service shall not list, advertise,  
4 promote, or sell a food service establishment's products, or arrange for  
5 the delivery of an order of such products, on a third-party food deliv-  
6 ery platform without a valid agreement with the food service establish-  
7 ment (or an authorized third-party agent or designee) authorizing the  
8 inclusion of their products on such platform.

9 (b) An agreement executed in accordance with this section shall not  
10 include a provision, clause, or covenant that requires a food service  
11 establishment to indemnify a third-party food delivery service, any  
12 independent contractor [~~acting on behalf of the~~ providing independent  
13 delivery services third-party food delivery service, or any registered  
14 agent of the third-party food delivery service, for any damages or harm  
15 by an act or omission occurring after the food service establishment's  
16 product leaves the place of business of the food service establishment.  
17 To the extent an agreement contains such a provision, such provision  
18 shall be deemed void and unenforceable.

19 (c) A food service establishment included on a third-party food deliv-  
20 ery platform in violation of this section shall have the right to bring  
21 an action in a court of competent jurisdiction for damages, penalties as  
22 set forth in this section, and injunctive relief. Such court, in its  
23 discretion, may also award reasonable court costs and attorneys' fees.

24 [~~(d)~~] 3. (a) A delivery network company shall ensure that, during the  
25 delivery available period, if it applies, and during the delivery  
26 service period, primary automobile liability insurance is in place that  
27 recognizes that the driver is a delivery network driver or that does not  
28 exclude coverage for use of a personal vehicle to provide deliveries.

29 (b) During the delivery service period and delivery available period,  
30 the delivery network driver, delivery network company, or any combina-  
31 tion of the two shall maintain a motor vehicle liability insurance poli-  
32 cy that provides the coverage required under article fifty-three of the  
33 insurance law during the delivery available period and delivery service  
34 period in amounts not less than:

35 (i) For bodily injury and property damage to third parties:

36 (A) fifty thousand dollars (\$50,000) or the amount required under  
37 paragraph one of subsection (a) of section five thousand three hundred  
38 three of the insurance law, whichever is greater, for all damages aris-  
39 ing out of bodily injury sustained by any one person as a result of any  
40 one accident;

41 (B) one hundred thousand dollars (\$100,000) or the amount required  
42 under paragraph one of subsection (a) of section five thousand three  
43 hundred three of the insurance law, whichever is greater, for all  
44 damages arising out of bodily injury sustained by all persons as a  
45 result of any one accident; and

46 (C) twenty-five thousand dollars (\$25,000) or the amount required  
47 under paragraph two of subsection (a) of section five thousand three  
48 hundred three of the insurance law, whichever is greater, for all  
49 damages arising out of damage to or destruction of property as a result  
50 of any one accident.

51 (ii) For basic reparation benefits, the amount set forth in paragraphs  
52 three and four of subsection (a) of section five thousand three hundred  
53 three of the insurance law.

54 (c) If the insurance coverage maintained by a delivery network driver  
55 in accordance with paragraphs (a) and (b) of this subdivision has lapsed

1 or does not provide the required coverage, insurance maintained by the  
2 delivery network company shall:

3 (i) provide the coverage required by paragraphs (a) and (b) of this  
4 subdivision beginning with the first dollar of a claim; and

5 (ii) have the duty to defend a claim made under the coverage provided  
6 under paragraph (b) of this subdivision.

7 (d) Coverage under an automobile insurance policy maintained by the  
8 delivery network company shall not be dependent upon another motor vehi-  
9 cle liability insurer first denying a claim, nor shall another motor  
10 vehicle liability insurance policy be required to first deny a claim.

11 (e) Insurance coverage required by this section may be obtained from  
12 an insurance company duly licensed to transact business under the insur-  
13 ance laws of this state or by an eligible excess lines broker licensed  
14 under section two thousand one hundred five of the insurance law.  
15 Insurance coverage required by this section may be obtained through a  
16 group policy maintained by the delivery network company.

17 (f) The coverage required pursuant to paragraphs (a) and (b) of this  
18 subdivision shall be deemed to meet the requirements for financial  
19 responsibility under the vehicle and traffic law.

20 (g) A delivery network driver shall carry proof of insurance required  
21 pursuant to paragraphs (a) and (b) of this subdivision at all times  
22 while using a personal vehicle in connection with a digital network. In  
23 the event of an accident, a delivery network driver shall, upon request,  
24 provide insurance coverage information to the directly interested  
25 parties, automobile insurers, and investigating law enforcement offi-  
26 cers. The insurance coverage information may be displayed or provided  
27 in either paper or electronic form as provided by regulation of the  
28 commissioner of motor vehicles. A delivery network driver shall, upon  
29 request, disclose to the directly interested parties, automobile insur-  
30 ers, and investigating law enforcement officers whether the driver was  
31 operating during the delivery available period or the delivery service  
32 period at the time of the accident.

33 (h) In a claims coverage investigation, a delivery network company or  
34 its insurer shall cooperate with all insurers that are involved in the  
35 claims coverage investigation to facilitate the exchange of information  
36 and shall immediately provide upon request by directly involved parties  
37 or any insurer the precise times that a delivery network driver began  
38 and ended the delivery available period and/or the delivery service  
39 period on the delivery network company's digital network in the twelve-  
40 hour period immediately preceding the accident and in the twelve-hour  
41 period immediately following the accident. Insurers potentially provid-  
42 ing the coverage required by this subdivision shall disclose upon  
43 request by any other such insurer involved in the particular claim, the  
44 applicable coverages, exclusions, and limits provided under any automo-  
45 bile insurance maintained in order to satisfy the requirements of this  
46 subdivision.

47 (i) The insurer or insurers of a delivery network company providing  
48 coverage under paragraphs (a) and (b) of this subdivision shall assume  
49 primary liability for a claim when a dispute exists as to when the  
50 delivery available period and/or the delivery service period began or  
51 ended and the delivery network company does not have available, did not  
52 retain, or fails to provide the information required by paragraph (h) of  
53 this subdivision.

54 (j) A delivery network company shall also maintain commercial general  
55 liability insurance with a limit of no less than one million dollars for  
56 each occurrence and two million dollars aggregate that includes coverage

1 for the delivery network company's liability for injuries arising out of  
2 the use of an electric scooter, as defined in section one hundred four-  
3 teen-e of the vehicle and traffic law, or bicycle with electric assist,  
4 as defined in section one hundred two-c of the vehicle and traffic law.

5 4. (a) A delivery network company shall not be deemed to control,  
6 direct, or manage a personal vehicle or delivery network driver that  
7 connects to the company's digital network, except where agreed to by  
8 written contract.

9 (b) A delivery network company shall not permit a delivery network  
10 driver to engage in delivery services on the company's digital network  
11 until the company discloses in writing to the driver:

12 (i) the insurance coverage, including the types of coverage and the  
13 limits for each coverage, that the company provides while the driver  
14 uses a personal vehicle in connection with the company's digital  
15 network; and

16 (ii) that the driver's own motor vehicle liability insurance policy  
17 might not provide any coverage during a delivery available period, if  
18 applicable, or a delivery service period.

19 (c) A delivery network company has no disclosure obligation to any  
20 person which is not expressly mandated by this subdivision.

21 5. (a) Nothing in subdivision three or four of this section shall be  
22 construed to:

23 (i) invalidate or limit an exclusion contained in a motor vehicle  
24 liability insurance policy, including any policy in use or approved for  
25 use that excludes coverage for motor vehicles used for delivery, or for  
26 any business use; or

27 (ii) invalidate, limit, or restrict an insurer's ability under exist-  
28 ing law to underwrite any insurance policy, or cancel and/or non-renew  
29 policies.

30 (b) Nothing in subdivision three or four of this section limits the  
31 scope of federal or state law regarding the delivery or transport of  
32 goods. Deliveries made pursuant to this section that are subject to  
33 federal or state law regarding the delivery or transport of goods shall  
34 also comply with the requirements of those laws. In the event of a  
35 conflict between subdivision three or four of this section and another  
36 law dealing with the delivery or transport of goods, the other law  
37 prevails.

38 6. (a) Any person that knowingly violates [~~any provision~~] subdivision  
39 two of this section shall be subject to a civil penalty of up to one  
40 thousand dollars per violation. Each day [~~a~~] that each food service  
41 establishment is included on a third-party food delivery platform [~~and~~  
42 ~~each food service establishment included on a third-party food delivery~~  
43 ~~platform~~] shall be considered a separate violation.

44 (b) The third-party delivery service that violates subdivision three  
45 of this section shall be subject to a civil penalty of up to one thou-  
46 sand dollars per violation. Each delivery begun or completed without  
47 the financial responsibility requirements required by subdivision three  
48 of this section shall be considered a separate violation.

49 § 2. The insurance law is amended by adding a new section 3459-a to  
50 read as follows:

51 § 3459-a. Delivery service exclusions for motor vehicle insurance  
52 policies. (a) The definitions set forth in section three hundred nine-  
53 ty-one-v of the general business law shall apply to this section.

54 (b) Notwithstanding any other provision of law to the contrary, an  
55 authorized insurer that writes motor vehicle liability insurance in the  
56 state may exclude any and all coverage and the duty to defend or indem-

1 nify for any injury or loss that occurs during the delivery available  
2 period and the delivery service period, including but not limited to:  
3 (1) liability coverage for bodily injury and property damage;  
4 (2) coverage provided pursuant to article fifty-one of this chapter;  
5 (3) uninsured motorist coverage;  
6 (4) supplementary uninsured/underinsured motorist coverage; and  
7 (5) motor vehicle physical damage coverage as described in paragraph  
8 nineteen of subsection (a) of section one thousand one hundred thirteen  
9 of this chapter.

10 (c) Nothing in this article shall invalidate or limit an exclusion  
11 contained in a motor vehicle insurance policy, including any insurance  
12 policy in use or approved for use that shall exclude coverage for motor  
13 vehicles made available for rent, sharing, hire or any business use.

14 (d) Nothing in this section invalidates or limits an exclusion  
15 contained in a motor vehicle liability insurance policy, including any  
16 insurance policy in use or approved for use that excludes coverage for  
17 motor vehicles used for delivery or for any business use.

18 (e) Nothing in this section invalidates, limits or restricts an insur-  
19 er's ability under existing law to underwrite any insurance policy.  
20 Nothing in this section invalidates, limits or restricts an insurer's  
21 ability under existing law to cancel and non-renew policies.

22 (f) A motor vehicle liability insurer that defends or indemnifies a  
23 claim against a delivery network driver that is excluded under the terms  
24 of its policy shall have the right to seek recovery against the insurer  
25 providing coverage under paragraphs (a) and (b) of subdivision three of  
26 section three hundred ninety-one-v of the general business law if the  
27 claim:

28 (i) occurs during the delivery available period or the delivery  
29 service period; and

30 (ii) is excluded under the terms of its policy.

31 § 3. Section 3455 of the insurance law, as added by section 6 of part  
32 AAA of chapter 59 of the laws of 2017, is amended to read as follows:

33 § 3455. Transportation network company group insurance policies. (a)  
34 For purposes of this section, the following definitions shall apply:

35 (1) "Transportation network company" shall have the same meaning as  
36 set forth in article forty-four-B of the vehicle and traffic law.

37 (2) "Certificate" or "certificate of insurance" means any policy,  
38 contract or other evidence of insurance, or endorsement thereto, issued  
39 to a group member under a transportation network company group policy or  
40 a delivery network company group policy.

41 (3) "Transportation network company group policy" or "group policy"  
42 means a group policy, including certificates issued to the group  
43 members, where the group policyholder is a transportation network compa-  
44 ny and the policy provides insurance to the transportation network  
45 company and to group members:

46 (A) in accordance with the requirements of article forty-four-B of the  
47 vehicle and traffic law;

48 (B) of the type described in paragraph thirteen, fourteen, or nineteen  
49 of subsection (a) of section one thousand one hundred thirteen of this  
50 chapter; and

51 (C) in satisfaction of the financial responsibility requirements set  
52 forth in section three thousand four hundred twenty of this article,  
53 subdivision four of section three hundred eleven of the vehicle and  
54 traffic law, article fifty-one of this chapter, and such other require-  
55 ments or regulations that may apply for the purposes of satisfying the

1 financial responsibility requirements with respect to the use or operation of a motor vehicle.

2  
3 (4) "Group member" means a transportation network company driver as defined in article forty-four-B of the vehicle and traffic law, and/or a delivery network driver as defined in section three hundred ninety-one-v of the general business law.

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6  
7 (5) "Group policyholder" means a transportation network company and/or a delivery network company.

8  
9 (6) "TNC vehicle" shall have the meaning set forth in article forty-four-B of the vehicle and traffic law.

10  
11 (7) "Delivery network company" shall have the same meaning as set forth in section three hundred ninety-one-v of the general business law.

12  
13 (8) "Delivery network company group policy" means a group policy, including certificates issued to the group members, where the group policyholder is a delivery network company and the policy provides insurance to the delivery network company and to group members:

14  
15  
16 (A) in accordance with the requirements of section three hundred ninety-one-v of the general business law;

17  
18 (B) of the type described in paragraph thirteen, fourteen, or nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter; and

19  
20  
21 (C) in satisfaction of the financial responsibility requirements set forth in section three thousand four hundred twenty of this article, subdivision four of section three hundred eleven of the vehicle and traffic law, article fifty-one of this chapter, and such other requirements or regulations that may apply for the purposes of satisfying the financial responsibility requirements with respect to the use or operation of a motor vehicle.

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28 (9) "Personal vehicle" shall have the meaning set forth in section three hundred ninety-one-v of the general business law.

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30  
31 (10) "Group policy" means a transportation network company group policy and/or a delivery network company group policy.

32  
33 (b) An insurer may issue or issue for delivery in this state a transportation network company group policy to a transportation network company, or a delivery network company group policy to a delivery network company, as a group policyholder only in accordance with the provisions of this section.

34  
35  
36  
37 (c)(1) A transportation network company group policy shall provide coverage for a TNC vehicle in accordance with the requirements of article forty-four-B of the vehicle and traffic law.

38  
39 (2) A transportation network company group policy may provide:

40  
41 (A) coverage for limits higher than the minimum limits required pursuant to article forty-four-B of the vehicle and traffic law.

42  
43 (B) supplementary uninsured/underinsured motorists insurance for bodily injury pursuant to paragraph two of subsection (f) of section three thousand four hundred twenty of this article;

44  
45 (C) supplemental spousal liability insurance pursuant to subsection (g) of section three thousand four hundred twenty of this ~~chapter~~ article; and

46  
47 (D) motor vehicle physical damage coverage as described in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter.

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53 (3) A delivery network company group policy shall provide coverage for a personal vehicle in accordance with the requirements of section three hundred ninety-one-v of the general business law.

54  
55  
56 (4) A delivery network company group policy may provide:

1 (A) coverage for limits higher than the minimum limits required pursu-  
2 ant to section three hundred ninety-one-v of the general business law.

3 (B) supplementary uninsured/underinsured motorists insurance for bodi-  
4 ly injury pursuant to paragraph two of subsection (f) of section three  
5 thousand four hundred twenty of this article;

6 (C) supplemental spousal liability insurance pursuant to subsection  
7 (g) of section three thousand four hundred twenty of this article; and

8 (D) motor vehicle physical damage coverage as described in paragraph  
9 nineteen of subsection (a) of section one thousand one hundred thirteen  
10 of this chapter.

11 (5) The coverage described in paragraphs one [~~and two~~] through four of  
12 this subsection may be provided in one group policy or in separate group  
13 policies.

14 [~~(4)~~] (6) A transportation network company group policy, including  
15 certificates, or a delivery network company group policy, including  
16 certificates, shall be issued by authorized insurers or from excess line  
17 brokers pursuant to section sixteen [~~six~~] hundred ninety-three of the  
18 vehicle and traffic law.

19 [~~(5)~~] (7) A policyholder also may be an insured under a group policy.

20 (d) The premium for the transportation network company group policy or  
21 the delivery network company group policy, including certificates may be  
22 paid by the group policyholder from the funds contributed:

23 (1) wholly by the group policyholder;

24 (2) wholly by the group members; or

25 (3) jointly by the group policyholder and the group members.

26 (e) (1) Any policy dividend, retrospective premium credit, or retro-  
27 spective premium refund in respect of premiums paid by the group policy-  
28 holder may:

29 (A) be applied to reduce the premium contribution of the group policy-  
30 holder, but not in excess of the proportion to its contribution; or

31 (B) be retained by the group policyholder.

32 (2) Any policy dividend, retrospective premium credit, or retrospec-  
33 tive premium refund not distributed under paragraph one of this  
34 subsection shall be:

35 (A) applied to reduce future premiums and, accordingly, future  
36 contributions, of existing or future group members, or both; or

37 (B) paid or refunded to those group members insured on the date the  
38 payment or refund is made to the group policyholder, if distributed by  
39 the group policyholder, or on the date of mailing, if distributed  
40 directly by the insurer, subject to the following requirements:

41 (i) The insurer shall be responsible for determining the allocation of  
42 the payment of refund to the group members;

43 (ii) If the group policyholder distributes the payment or refund, the  
44 insurer shall be responsible for audit to ascertain that the payment or  
45 refund is actually made in accordance with the allocation procedure; and

46 (iii) If the group policyholder fails to make the payment or refund,  
47 the insurer shall make the payment or refund directly or use the method  
48 provided in subparagraph (A) of this paragraph.

49 (3) Notwithstanding paragraphs one and two of this subsection, if a  
50 dividend accrues upon termination of coverage under a transportation  
51 network company group policy or delivery network company group policy,  
52 the premium for which was paid out of funds contributed by group members  
53 specifically for the coverage, the dividend shall be paid or refunded by  
54 the group policyholder to the group members insured on the date the  
55 payment or refund is made to the group policyholder, net of reasonable

1 expenses incurred by the group policyholder in paying or refunding the  
2 dividend to such group members.

3 (4) For the purposes of this subsection, "dividend" means a return by  
4 the insurer of a transportation network company group policy or delivery  
5 network company group policy of excess premiums to the group policyhold-  
6 er in light of favorable loss experience, including retrospective premi-  
7 um credits or retrospective premium refunds. The term "dividend" does  
8 not include reimbursements or fees received by a group policyholder in  
9 connection with the operation or administration of a transportation  
10 network company group policy or delivery network company group policy,  
11 including administrative reimbursements, fees for services provided by  
12 the group policyholder, or transactional service fees.

13 (f) The insurer shall treat in like manner all eligible group members  
14 of the same class and status.

15 (g) Each policy written pursuant to this section shall provide per  
16 occurrence limits of coverage for each group member in an amount not  
17 less than that required by this article, and may provide coverage for  
18 limits higher than the minimum limits required under the law.

19 (h) (1) The insurer shall be responsible for mailing or delivery of a  
20 certificate of insurance to each group member insured under the trans-  
21 portation network company group policy or delivery network company group  
22 policy, provided, however, that the insurer may delegate the mailing or  
23 delivery to the transportation network company or delivery network  
24 company. The insurer shall also be responsible for the mailing or  
25 delivery to each group member of an amended certificate of insurance or  
26 endorsement to the certificate, whenever there is a change in limits;  
27 change in type of coverage; addition, reduction, or elimination of  
28 coverage; or addition of exclusion, under the transportation network  
29 company group policy or certificate or the delivery network company  
30 group policy or certificate.

31 (2) The certificate shall contain in substance all material terms and  
32 conditions of coverage afforded to group members, unless the transporta-  
33 tion network company group policy or delivery network company group  
34 policy is incorporated by reference and a copy of the group policy  
35 accompanies the certificate.

36 (3) If any coverage afforded to the group member is excess of applica-  
37 ble insurance coverage, the certificate shall contain a notice advising  
38 the group members that, if the member has other insurance coverage,  
39 specified coverages under the transportation network company group poli-  
40 cy or delivery network company group policy will be excess over the  
41 other insurance.

42 (i) A group policyholder shall comply with the provisions of section  
43 two thousand one hundred twenty-two of this chapter, in the same manner  
44 as an agent or broker, in any advertisement, sign, pamphlet, circular,  
45 card, or other public announcement referring to coverage under a trans-  
46 portation network company group policy or certificate or delivery  
47 network company group policy or certificate.

48 (j) A transportation network company group policy or delivery network  
49 company group policy shall not be subject to section three thousand four  
50 hundred twenty-five or section three thousand four hundred twenty-six of  
51 this article; provided that the following requirements shall apply with  
52 regard to termination of coverage:

53 (1)(A) An insurer may terminate a group policy or certificate only if  
54 cancellation is based on one or more of the reasons set forth in subpar-  
55 agraph (A) through (D) or (F) through (H) of paragraph one of subsection  
56 (c) of section three thousand four hundred twenty-six of this article;

1 provided, however, that an act or omission by a group member that would  
2 constitute the basis for cancellation of an individual certificate shall  
3 not constitute the basis for cancellation of the group policy.

4 (B) Where the premium is derived wholly from funds contributed by the  
5 group policyholder, an insurer may cancel an individual certificate only  
6 if cancellation is based on one or more of the reasons set forth in  
7 subparagraph (B), (C) or (H) of paragraph one of subsection (c) of  
8 section three thousand four hundred twenty-six of this article.

9 (2) (A) An insurer's cancellation of a group policy, including all  
10 certificates, shall not become effective until thirty days after the  
11 insurer mails or delivers written notice of cancellation to the group  
12 policyholder at the mailing address shown in the policy.

13 (i) Where all or part of the premium is derived from funds contributed  
14 by the group member specifically for the coverage, the insurer shall  
15 also mail or deliver written notice of cancellation of the group policy  
16 to the group member at the group member's mailing address. Such cancel-  
17 lation shall not become effective until thirty days after the insurer  
18 mails or delivers the written notice to the group member.

19 (ii) Where none of the premium is derived from funds contributed by a  
20 group member specifically for the coverage, the group policy holder  
21 shall mail or deliver written notice to the group member advising the  
22 group member of the cancellation of the group policy and the effective  
23 date of cancellation. The group policy holder shall mail or deliver the  
24 written notice within ninety days after receiving notice of cancellation  
25 from the insurer.

26 (B) An insurer's cancellation of an individual certificate shall not  
27 become effective until thirty days after the insurer mails or delivers  
28 written notice of cancellation to the group member at the group member's  
29 mailing address and to the group policyholder at the mailing address  
30 shown in the group policy.

31 (3) (A) A group policyholder may cancel a group policy, including all  
32 certificates, or any individual certificate, for any reason upon thirty  
33 days written notice to the insurer and each group member; and

34 (B) The group policyholder shall mail or deliver written notice to  
35 each affected group member of the group policyholder's cancellation of  
36 the group policy or certificate and the effective date of cancellation.  
37 The group policyholder shall mail or deliver the written notice to the  
38 group member's mailing address at least thirty days prior to the effec-  
39 tive date of cancellation.

40 (4) (A) Unless a group policy provides for a longer policy period, the  
41 policy and all certificates shall be issued or renewed for a one-year  
42 policy period.

43 (B) The group policyholder shall be entitled to renew the group policy  
44 and all certificates upon timely payment of the premium billed to the  
45 group policyholder for the renewal, unless:

46 (i) the insurer mails or delivers to the group policyholder and all  
47 group members written notice of nonrenewal, or conditional renewal; and

48 (ii) the insurer mails or delivers the written notice at least thirty,  
49 but not more than one hundred twenty days prior to the expiration date  
50 specified in the policy or, if no date is specified, the next anniver-  
51 sary date of the policy.

52 (5) Where the group policyholder nonrenews the group policy, the group  
53 policyholder shall mail or deliver written notice to each group member  
54 advising the group member of nonrenewal of the group policy and the  
55 effective date of nonrenewal. The group policyholder shall mail or  
56 deliver written notice at least thirty days prior to the nonrenewal.

1 (6) Every notice of cancellation, nonrenewal, or conditional renewal  
2 shall set forth the specific reason or reasons for cancellation, nonre-  
3 newal, or conditional renewal.

4 (7) (A) An insurer shall not be required under this subsection to give  
5 notice to a group member if the insurer has been advised by either the  
6 group policyholder or another insurer that substantially similar cover-  
7 age has been obtained from the other insurer without lapse of coverage.

8 (B) A group policyholder shall not be required under this subsection  
9 to give notice to a group member if substantially similar coverage has  
10 been obtained from another insurer without lapse of coverage.

11 (8) (A) If, prior to the effective date of cancellation, nonrenewal,  
12 or conditional renewal of the group policy, or a certificate, whether  
13 initiated by the insurer, group policyholder or by the group member in  
14 regard to the group member's certificate, coverage attaches pursuant to  
15 the terms of a group policy, then the coverage shall be effective until  
16 expiration of the applicable period of coverage provided in the group  
17 policy notwithstanding the cancellation, nonrenewal or conditional  
18 nonrenewal of the group policy.

19 (B) Notwithstanding subparagraph (A) of this paragraph, an insurer may  
20 terminate coverage under an individual certificate on the effective date  
21 of cancellation, if the certificate is cancelled in accordance with the  
22 provisions of subparagraph (B) of paragraph one of this subsection.

23 (k) Any mailing or delivery to a group member required or permitted  
24 under this section may be made by electronic mail if consent to such  
25 method of delivery has been previously received from such group member.

26 (l) (1) An insurer may issue a transportation network company group  
27 policy to a transportation network company, notwithstanding that it may  
28 be a condition of operating a vehicle on the transportation network  
29 company's digital network for the TNC driver to participate in such  
30 group policy.

31 (2) An insurer may issue a delivery network company group policy to a  
32 delivery network company, notwithstanding that it may be a condition of  
33 operating a vehicle on the delivery network company's digital network  
34 for the delivery network driver to participate in such group policy.

35 (m) An insurer shall not include a mandatory arbitration clause in a  
36 policy that provides financial responsibility coverage under this  
37 section except as permitted in section five thousand one hundred five of  
38 [~~the insurance law~~] this chapter.

39 § 4. This act shall take effect one year after it shall have become a  
40 law.