

STATE OF NEW YORK

7651

2023-2024 Regular Sessions

IN SENATE

September 13, 2023

Introduced by Sen. BORRELLO -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the insurance law, in relation to supplemental spousal liability insurance for married insureds

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

1 Section 1. Paragraph 2 of subsection (g) of section 3420 of the insurance law, as amended by chapter 735 of the laws of 2022, is amended to read as follows:

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4 (2) (A) Every insurer issuing or delivering any policy that satisfies the requirements of article six of the vehicle and traffic law shall provide coverage in such policy against liability of ~~[an]~~ a married insured because of death of or injuries to his or her spouse up to the liability insurance limits provided under such policy even where the injured spouse, to be entitled to recover, must prove the culpable conduct of the insured spouse, unless the married insured elects, in writing and in such form as the superintendent determines, to decline and refuse such coverage in his or her policy. Such insurance coverage shall be known as "supplemental spousal liability insurance".

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14 (B) Upon issuance, renewal or amendment of a motor vehicle liability policy that satisfies the requirements of article six of the vehicle and traffic law, the insurer shall notify the married insured, in writing, that such policy shall include supplemental spousal liability insurance unless the married insured declines and refuses such insurance, in writing and in such form as shall be determined by the superintendent. Such notification shall be contained on the front of the premium notice in boldface type and include a concise statement that supplementary spousal coverage is provided unless declined by the married insured, an explanation of such coverage, and the insurer's premium for such coverage.

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24 (C) The insurer's requirements in subparagraphs (A) and (B) of this paragraph shall apply only to policies issued or delivered to an insured

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

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1 who is married. An insurer shall not provide supplemental spousal
2 liability insurance coverage in any policy to an insured who is not
3 married, unless the single or unmarried insured elects, in writing and
4 in such form as the superintendent determines, to accept and request
5 such coverage in his or her policy.

6 (D) Upon issuance, renewal or amendment of a motor vehicle liability
7 policy that satisfies the requirements of article six of the vehicle and
8 traffic law, the insurer shall notify the single or unmarried insured,
9 in writing, that such policy shall not include supplemental spousal
10 liability insurance unless the single or unmarried insured accepts and
11 requests such insurance, in writing and in such form as shall be deter-
12 mined by the superintendent. Such notification shall be contained on the
13 front of the premium notice in boldface type and include a concise
14 statement that supplementary spousal coverage is not provided unless
15 requested by the single or unmarried insured, an explanation of such
16 coverage including a statement that such coverage does not benefit
17 insureds that are not married, and the single or unmarried insurer's
18 premium for such coverage.

19 § 2. Paragraphs 1 and 2 of subsection (g) of section 3420 of the
20 insurance law, as amended by chapter 584 of the laws of 2002, are
21 amended and two new paragraphs 3 and 4 are added to read as follows:

22 (1) Upon written request of an insured, and upon payment of a reason-
23 able premium established in accordance with article twenty-three of this
24 chapter, an insurer issuing or delivering any policy that satisfies the
25 requirements of article six of the vehicle and traffic law shall provide
26 coverage against liability of ~~[an]~~ a married insured because of death of
27 or injuries to his or her spouse up to the liability insurance limits
28 provided under such policy even where the injured spouse, to be entitled
29 to recover, must prove the culpable conduct of the insured spouse. Such
30 insurance coverage shall be known as "supplemental spousal liability
31 insurance".

32 (2) Upon issuance of a motor vehicle liability policy that satisfies
33 the requirements of article six of the vehicle and traffic law and that
34 becomes effective on or after January first, two thousand three, pursu-
35 ant to regulations promulgated by the superintendent, the insurer shall
36 notify the married insured, in writing, of the availability of supple-
37 mental spousal liability insurance. Such notification shall be contained
38 on the front of the premium notice in boldface type and include a
39 concise statement that supplementary spousal coverage is available, an
40 explanation of such coverage, and the insurer's premium for such cover-
41 age. Subsequently, a notification of the availability of supplementary
42 spousal liability coverage shall be provided at least once a year in
43 motor vehicle liability policies issued pursuant to article six of the
44 vehicle and traffic law, including those originally issued prior to
45 January first, two thousand three. Such notice must include a concise
46 statement that supplementary spousal coverage is available, an explana-
47 tion of such coverage, and the insurer's premium for such coverage.

48 (3) The insurer's requirements in paragraphs one and two of this
49 subsection shall apply only to policies issued or delivered to an
50 insured who is married. An insurer shall not provide supplemental spous-
51 al liability insurance coverage in any policy to an insured who is not
52 married, unless the single or unmarried insured elects, in writing and
53 in such form as the superintendent determines, to accept and request
54 such coverage in his or her policy.

55 (4) Upon issuance, renewal or amendment of a motor vehicle liability
56 policy that satisfies the requirements of article six of the vehicle and

1 traffic law, the insurer shall notify the single or unmarried insured,
2 in writing, that such policy shall not include supplemental spousal
3 liability insurance unless the single or unmarried insured accepts and
4 requests such insurance, in writing and in such form as shall be deter-
5 mined by the superintendent. Such notification shall be contained on the
6 front of the premium notice in boldface type and include a concise
7 statement that supplementary spousal coverage is not provided unless
8 requested by the single or unmarried insured, an explanation of such
9 coverage including a statement that such coverage does not benefit
10 insureds that are not married, and the single or unmarried insurer's
11 premium for such coverage.

12 § 3. This act shall take effect on the one hundred twentieth day after
13 it shall have become a law; provided, however that the amendments to
14 paragraph two of subsection (g) of section 3420 of the insurance law
15 made by section one of this act shall be subject to the expiration and
16 reversion of such subsection pursuant to section 2 of chapter 735 of the
17 laws of 2022, as amended, when upon such date the provisions of section
18 two of this act shall take effect.