STATE OF NEW YORK

9021--A

IN SENATE

April 10, 2024

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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

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

Section 1. 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:

(g) (1) Except as otherwise provided in paragraph two of this subsection, no policy or contract shall be deemed to insure against any liability of an insured because of death of or injuries to [~~his or her~~] **the insured's** spouse or because of injury to, or destruction of property of [~~his or her~~] **the insured's** spouse unless express provision relating specifically thereto is included in the policy. This exclusion shall apply only where the injured spouse, to be entitled to recover, must prove the culpable conduct of the insured spouse.

(2) (A) [~~Every~~] **(i) Upon issuance of a motor vehicle liability policy and payment of a reasonable premium established in accordance with article twenty-three of this chapter, an** insurer issuing or delivering any policy that satisfies the requirements of article six of the vehicle and traffic law **and is subject to section three thousand four hundred twenty-five of this article** shall provide coverage in such **a** policy **issued to a first named insured who has indicated that such insured has a spouse on the insurance application,** against liability of an insured because of death of or injuries to [~~his or her~~] **the insured's** 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~~] **a first named** insured elects, in writing and in such form as the superintendent determines, to decline and refuse such coverage in [~~his or her~~] **the first named**

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

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insured's policy. Such insurance coverage shall be known as "supplemental spousal liability insurance".

(ii) Upon written request of an insured, and upon payment of a reasonable premium established in accordance with article twenty-three of this chapter, an insurer issuing or delivering any policy that satisfies the requirements of article six of the vehicle and traffic law, other than as specified in item (i) of this subparagraph, shall provide coverage in such a policy against liability of an insured because of death of or injuries to the insured's 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.

(B) (i) Upon issuance[~~, renewal or amendment~~] of a motor vehicle liability policy that satisfies the requirements of article six of the vehicle and traffic law and is subject to section three thousand four hundred twenty-five of this article, the insurer shall notify [~~the~~] a first named insured who has indicated that such insured has a spouse on the insurance application, in writing, that such policy shall include supplemental spousal liability insurance unless [~~the~~] a first named 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~~] supplemental spousal liability coverage is provided unless declined by [~~the~~] a first named insured, an explanation of such coverage, and the insurer's premium for such coverage.

(ii) Upon renewal or amendment of a motor vehicle liability policy that satisfies the requirements of article six of the vehicle and traffic law and has supplemental spousal liability coverage under the policy, the insurer shall provide a notification to a first named insured that includes a concise statement that such policy includes supplemental spousal liability coverage unless declined by a first named insured in writing and in such form as shall be determined by the superintendent, an explanation of such coverage, and the insurer's premium for such coverage. Such notification shall be contained on the front of the premium notice in boldface type.

(iii) A written declination shall apply to subsequent policy renewals unless a first named insured requests supplemental spousal liability insurance.

(C) A notification of the availability of supplemental spousal liability insurance shall be provided upon policy issuance, other than for the policies to which the notification requirement in item (i) of subparagraph (B) of this paragraph applies, and at least once a year for all motor vehicle liability policies that satisfy the requirements of article six of the vehicle and traffic law, where the policy does not already provide supplemental spousal liability insurance. Such notice shall be contained on the front of the premium notice in boldface type and include a concise statement that supplemental spousal liability coverage is available, an explanation of such coverage, and the insurer's premium for such coverage.

§ 2. This act shall take effect on the one hundred eightieth day after it shall have become a law and shall apply to policies issued, renewed or modified on or after such date; provided, however that the amendments to subsection (g) of section 3420 of the insurance law made by section one of this act shall be subject to the expiration and reversion of such subsection pursuant to section 2 of chapter 735 of the laws of 2022, as amended.