STATE OF NEW YORK

8003

2023-2024 Regular Sessions

IN ASSEMBLY

September 1, 2023

Introduced by M. of A. HAWLEY, REILLY, BYRNES, BLANKENBUSH, DiPIETRO, GALLAHAN, J. M. GIGLIO, SMULLEN, E. BROWN -- read once and referred to the Committee on Insurance

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:

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:

(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".

(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.

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

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(C) The insurer's requirements in subparagraphs (A) and (B) of this paragraph shall apply only to policies issued or delivered to an insured who is married. An insurer shall not provide supplemental spousal liability insurance coverage in any policy to an insured who is not married, unless the single or unmarried insured elects, in writing and in such form as the superintendent determines, to accept and request such coverage in his or her policy.

(D) 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 single or unmarried insured, in writing, that such policy shall not include supplemental spousal liability insurance unless the single or unmarried insured accepts and requests 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 not provided unless requested by the single or unmarried insured, an explanation of such coverage including a statement that such coverage does not benefit insureds that are not married, and the single or unmarried insurer's premium for such coverage.

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

(1) 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 shall provide coverage 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. Such insurance coverage shall be known as "supplemental spousal liability insurance".

(2) Upon issuance of a motor vehicle liability policy that satisfies the requirements of article six of the vehicle and traffic law and that becomes effective on or after January first, two thousand three, pursuant to regulations promulgated by the superintendent, the insurer shall notify the married insured, in writing, of the availability of supplemental spousal liability insurance. 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 available, an explanation of such coverage, and the insurer's premium for such coverage. Subsequently, a notification of the availability of supplementary spousal liability coverage shall be provided at least once a year in motor vehicle liability policies issued pursuant to article six of the vehicle and traffic law, including those originally issued prior to January first, two thousand three. Such notice must include a concise statement that supplementary spousal coverage is available, an explanation of such coverage, and the insurer's premium for such coverage.

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

(4) 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 single or unmarried insured, in writing, that such policy shall not include supplemental spousal liability insurance unless the single or unmarried insured accepts and requests 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 not provided unless requested by the single or unmarried insured, an explanation of such coverage including a statement that such coverage does not benefit insureds that are not married, and the single or unmarried insurer's premium for such coverage.

§ 3. This act shall take effect on the one hundred twentieth day after it shall have become a law; provided, however that the amendments to paragraph two of 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, when upon such date the provisions of section two of this act shall take effect.