

# STATE OF NEW YORK

5889

2023-2024 Regular Sessions

## IN SENATE

March 21, 2023

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

AN ACT to amend the insurance law, in relation to inspections of private passenger automobiles prior to the provision of coverage for physical damage thereto; and providing for the repeal of such provisions upon expiration thereof

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

1 Section 1. The section heading and subsections (d), (g) and (m) of  
2 section 3411 of the insurance law are amended to read as follows:

3 Automobile physical damage insurance covering private passenger auto-  
4 mobiles; standard provisions; [~~required~~] inspections; duties of insurers  
5 and insureds.

6 (d) A newly issued policy shall not provide coverage for automobile  
7 physical damage perils prior to an inspection of the automobile by the  
8 insurer, unless the insurer has waived the right to such inspection  
9 pursuant to a statement of operation filed with the superintendent. In  
10 its statement of operation, an insurer may waive the right to inspect  
11 some or all automobiles. Every statement of operation shall take effect  
12 upon its filing with the superintendent and may cover some or all auto-  
13 mobiles.

14 (g) If an automobile subject to the provisions of this section is  
15 acquired by the insured as a replacement for or an addition to an auto-  
16 mobile insured for physical damage coverage, and the insured requests  
17 physical damage coverage for the replacement or additional automobile,  
18 such coverage for physical damage shall not be effective before such  
19 inspection is made, unless the insurer has waived the right to such an  
20 inspection pursuant to a statement of operation filed with the super-  
21 intendent. If, at the time of the request for such coverage, the auto-  
22 mobile is unavailable for inspection because of conditions of purchase  
23 or other circumstances and is thereafter made available for inspection,

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

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1 the insurer shall promptly inspect the automobile, and physical damage  
2 coverage shall not become effective before the inspection has been made.

3 (m) (1) The superintendent, in regulations implementing the provisions  
4 of this section, shall also require that insurers take appropriate  
5 action to ensure that there is wide public dissemination of the  
6 provisions of this section relating to the rights and obligations of  
7 insureds and insurers.

8 (2) The inspections provided for in this section may be dispensed with  
9 or deferred by an insurer under circumstances specified in their state-  
10 ment of operation filed with the superintendent or in regulations of the  
11 superintendent. Such circumstances may include but are not limited to,  
12 the insuring of a new automobile, the insuring of an automobile whose  
13 inspection would constitute a serious hardship to the insurer, the  
14 insured or an applicant for insurance, and the insuring of an automobile  
15 for a limited specified period of time.

16 (3) Inspections made pursuant to this section shall be made at  
17 locations and times reasonably convenient to the insured. The results of  
18 any inspection may be considered in determining the value of the automo-  
19 bile.

20 § 2. This act shall take effect on the one hundred eightieth day after  
21 it shall have become a law and shall expire and be deemed repealed Octo-  
22 ber 1, 2027. Effective immediately, the addition, amendment and/or  
23 repeal of any rule or regulation necessary for the implementation of  
24 this act on its effective date are authorized to be made and completed  
25 on or before such effective date.