

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:

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

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

12 (2) (A) [~~Every~~] (i) Upon issuance of a motor vehicle liability policy
13 and payment of a reasonable premium established in accordance with arti-
14 cle twenty-three of this chapter, an insurer issuing or delivering any
15 policy that satisfies the requirements of article six of the vehicle and
16 traffic law and is subject to section three thousand four hundred twen-
17 ty-five of this article shall provide coverage in such a policy issued
18 to a first named insured who has indicated that such insured has a
19 spouse on the insurance application, against liability of an insured
20 because of death of or injuries to [~~his or her~~] the insured's spouse up
21 to the liability insurance limits provided under such policy even where
22 the injured spouse, to be entitled to recover, must prove the culpable
23 conduct of the insured spouse, unless [~~the~~] a first named insured
24 elects, in writing and in such form as the superintendent determines, to
25 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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1 insured's policy. Such insurance coverage shall be known as "supple-
2 mental spousal liability insurance".

3 (ii) Upon written request of an insured, and upon payment of a reason-
4 able premium established in accordance with article twenty-three of this
5 chapter, an insurer issuing or delivering any policy that satisfies the
6 requirements of article six of the vehicle and traffic law, other than
7 as specified in item (i) of this subparagraph, shall provide coverage in
8 such a policy against liability of an insured because of death of or
9 injuries to the insured's spouse up to the liability insurance limits
10 provided under such policy even where the injured spouse, to be entitled
11 to recover, must prove the culpable conduct of the insured spouse.

12 (B) (i) Upon issuance[~~, renewal or amendment~~ of a motor vehicle
13 liability policy that satisfies the requirements of article six of the
14 vehicle and traffic law and is subject to section three thousand four
15 hundred twenty-five of this article, the insurer shall notify [the] a
16 first named insured who has indicated that such insured has a spouse on
17 the insurance application, in writing, that such policy shall include
18 supplemental spousal liability insurance unless [the] a first named
19 insured declines and refuses such insurance, in writing and in such form
20 as shall be determined by the superintendent. Such notification shall be
21 contained on the front of the premium notice in boldface type and
22 include a concise statement that [supplementary] supplemental spousal
23 liability coverage is provided unless declined by [the] a first named
24 insured, an explanation of such coverage, and the insurer's premium for
25 such coverage.

26 (ii) Upon renewal or amendment of a motor vehicle liability policy
27 that satisfies the requirements of article six of the vehicle and traf-
28 fic law and has supplemental spousal liability coverage under the poli-
29 cy, the insurer shall provide a notification to a first named insured
30 that includes a concise statement that such policy includes supplemental
31 spousal liability coverage unless declined by a first named insured in
32 writing and in such form as shall be determined by the superintendent,
33 an explanation of such coverage, and the insurer's premium for such
34 coverage. Such notification shall be contained on the front of the
35 premium notice in boldface type.

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

39 (C) A notification of the availability of supplemental spousal liabil-
40 ity insurance shall be provided upon policy issuance, other than for the
41 policies to which the notification requirement in item (i) of subpara-
42 graph (B) of this paragraph applies, and at least once a year for all
43 motor vehicle liability policies that satisfy the requirements of arti-
44 cle six of the vehicle and traffic law, where the policy does not
45 already provide supplemental spousal liability insurance. Such notice
46 shall be contained on the front of the premium notice in boldface type
47 and include a concise statement that supplemental spousal liability
48 coverage is available, an explanation of such coverage, and the insur-
49 er's premium for such coverage.

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