

# STATE OF NEW YORK

10226

## IN SENATE

May 7, 2026

Introduced by Sen. BAILEY -- 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 providing for insurance against expenses and business income losses from acts or threats of violence, including while not on the insured's premises, and adding representations and warranties and tax interpretation insurance; and to repeal certain provisions of such law relating thereto

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

1 Section 1. Subparagraph (D) of paragraph 7 of subsection (a) of  
2 section 1113 of the insurance law, as amended by chapter 318 of the laws  
3 of 2008, is amended to read as follows:

4 (D) Insurance covering loss of or damage to property as a result of an  
5 act or threatened act of violence, bullying, or stalking; a ransom or  
6 reward payment incurred as the result of an abduction or the theft of  
7 property; travel and lodging expense and lost wages incurred as the  
8 result of an act or threatened act of violence, bullying, stalking, or  
9 abduction; expense incurred to locate or identify a missing or abducted  
10 person; or other expenses to respond to [~~a-violent~~] an act or threatened  
11 act of violence, bullying, stalking, or abduction, or to prevent a reoc-  
12 currence thereof, including expenses to hire a public relations firm or  
13 security firm in response to an act or threatened act of violence,  
14 bullying, stalking, or abduction; and

15 § 2. Paragraphs 13 and 14 of subsection (a) of section 1113 of the  
16 insurance law, paragraph 13 as amended by chapter 534 of the laws of  
17 1985 and paragraph 14 as amended by chapter 614 of the laws of 1997, are  
18 amended to read as follows:

19 (13) "Personal injury liability insurance," means insurance against  
20 legal or contractual liability of the insured, and against loss, damage  
21 or expense incident to a claim of such liability (including the insur-  
22 er's obligation to pay medical, hospital, surgical and disability bene-  
23 fits to injured persons, and funeral and death benefits to dependents,  
24 beneficiaries or personal representatives of persons who are killed,  
25 irrespective of legal liability of the insured), arising out of death or

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

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1 injury of any person, or arising out of injury to the economic interests  
2 of any person, as the result of negligence in rendering expert, fiduci-  
3 ary or professional service, but excluding any kind of insurance speci-  
4 fied in paragraph fifteen, except insurance to protect an insured  
5 against liability for indemnification or contribution to a third party  
6 held responsible for injury to the insured's employee arising out of and  
7 in the course of employment when such insurance is written pursuant to  
8 this paragraph and not written pursuant to paragraph fifteen of this  
9 subsection.

10 (14) "Property damage liability insurance," means insurance against  
11 legal or contractual liability of the insured, and against loss, damage  
12 or expense incident to a claim of such liability, arising out of the  
13 loss or destruction of, or damage to, the property of any other person,  
14 but not including any kind of insurance specified in paragraph thirteen,  
15 fifteen or twenty-eight of this subsection.

16 § 3. Paragraph 34 of subsection (a) of section 1113 of the insurance  
17 law, as added by chapter 369 of the laws of 2024, is amended to read as  
18 follows:

19 (34) "Business interruption insurance" means insurance against loss of  
20 use and occupancy, rents, and profits resulting from a reduction in  
21 business or business closure, including expenses to remediate the prop-  
22 erty, due to: (A) loss of or damage to insured or neighboring property;  
23 (B) an act or threatened act of violence [~~while the perpetrator is on~~]  
24 or abduction affecting the business [~~premises~~] operations; or (C) a  
25 government order.

26 § 4. Paragraphs 34 and 35 of subsection (a) of section 1113 of the  
27 insurance law, paragraph 34 as added by chapter 569 of the laws of 2024  
28 and paragraph 35 as renumbered by chapter 369 of the laws of 2024, are  
29 renumbered paragraphs 35 and 38 and two new paragraphs 36 and 37 are  
30 added to read as follows:

31 (36) "Representations and warranties insurance" means insurance: (A)  
32 against legal liability of the insured and against loss, damage, or  
33 expense incident to a claim of such liability arising out of injury to  
34 the economic interests of a buyer, as the result of a breach of a sell-  
35 er's representations or warranties in a corporate merger or acquisition  
36 transaction, when the seller is the insured; or (B) against loss of or  
37 damage to property, including injury to the economic interests of the  
38 insured, as a result of a breach of a seller's representations or  
39 warranties in a corporate merger or acquisition transaction, when the  
40 buyer is the insured.

41 (37) "Tax interpretation insurance" means insurance against: (A)  
42 expenses incurred, other than legal expenses or administrative penalties  
43 imposed by a governmental tax authority, as a result of a determination  
44 by a governmental tax authority that a tax treatment for a business  
45 entity is invalid; and (B) the increase in tax, including interest, that  
46 a business entity is legally obligated to pay a governmental tax author-  
47 ity upon a determination by a court of competent jurisdiction, or upon a  
48 settlement with a governmental tax authority, that the tax treatment is  
49 invalid.

50 § 5. Subsection (a) of section 2105 of the insurance law, as separate-  
51 ly amended by chapters 369 and 569 of the laws of 2024, is amended to  
52 read as follows:

53 (a) The superintendent may issue an excess line broker's license to  
54 any person, firm, association or corporation who or which is licensed as  
55 an insurance broker under section two thousand one hundred four of this  
56 article, or who or which is licensed as an excess line broker in the

1 licensee's home state, provided, however, that the applicant's home  
2 state grants non-resident licenses to residents of this state on the  
3 same basis, except that reciprocity is not required in regard to the  
4 placement of liability insurance on behalf of a purchasing group or any  
5 of its members; authorizing such person, firm, association or corpo-  
6 ration to procure, subject to the restrictions herein provided, policies  
7 of insurance from insurers that are not authorized to transact business  
8 in this state of the kind or kinds of insurance specified in paragraphs  
9 four through fourteen, sixteen, seventeen, nineteen, twenty, twenty-two,  
10 twenty-seven, twenty-eight, thirty-one, thirty-two, thirty-three, [~~and~~]  
11 thirty-four, thirty-five, thirty-six, and thirty-seven of subsection (a)  
12 of section one thousand one hundred thirteen of this chapter, and in  
13 subsection (h) of this section, provided, however, that the provisions  
14 of this section and section two thousand one hundred eighteen of this  
15 article shall not apply to ocean marine insurance and other contracts of  
16 insurance enumerated in subsections (b) and (c) of section two thousand  
17 one hundred seventeen of this article. Such license may be suspended or  
18 revoked by the superintendent whenever in the superintendent's judgment  
19 such suspension or revocation will best promote the interests of the  
20 people of this state.

21 § 6. Subparagraph (D) of paragraph 2 of subsection (a) of section 3425  
22 of the insurance law, as amended by chapter 569 of the laws of 2024, is  
23 amended to read as follows:

24 (D) parametric insurance, as defined in paragraph [~~thirty-four~~] thir-  
25 ty-five of subsection (a) of section one thousand one hundred thirteen  
26 of this chapter.

27 § 7. Section 3450 of the insurance law is REPEALED.

28 § 8. Subsection (b) of section 4101 of the insurance law, as amended  
29 by chapter 569 of the laws of 2024, is amended to read as follows:

30 (b) "Non-basic kinds of insurance" means the kinds of insurance  
31 described in the following paragraphs of subsection (a) of section one  
32 thousand one hundred thirteen of this chapter numbered therein as set  
33 forth in parentheses below:

34 accident and health (i) of (3));  
35 non-cancellable disability (item (ii) of (3));  
36 miscellaneous property (5);  
37 water damage (6);  
38 collision (12);  
39 property damage liability (14) - non-basic as to mutual companies  
40 only;  
41 motor vehicle and aircraft physical damage (19);  
42 inland marine as specified in marine and inland marine (20);  
43 marine protection and indemnity (21) - non-basic as to stock companies  
44 only;  
45 residual value (22);  
46 credit unemployment (24);  
47 gap (26);  
48 prize indemnification (27);  
49 service contract reimbursement (28);  
50 legal services insurance (29);  
51 involuntary unemployment insurance (30);  
52 salary protection insurance (31);  
53 donor medical expense insurance (32);  
54 excess business disability insurance (33);  
55 parametric insurance [~~(34)~~] (35);  
56 representations and warranties insurance (36);

1 tax interpretation insurance (37).

2 § 9. Paragraphs 1 and 2 of subsection (b) of section 4102 of the  
3 insurance law, paragraph 1 as amended by chapter 326 of the laws of 2004  
4 and paragraph 2 as amended by chapter 569 of the laws of 2024, are  
5 amended to read as follows:

6 (1) If licensed to write burglary and theft (7), glass (8), boiler and  
7 machinery (9), elevator (10), animal (11), personal injury liability  
8 (13), property damage liability (14), workers' compensation and employ-  
9 ers' liability (15), fidelity and surety (16), or credit (17), it may be  
10 licensed to write accident and health (item (i) of (3)), non-cancellable  
11 disability (item (ii) of (3)), water damage (6), collision (12), resi-  
12 dual value (22), credit unemployment (24), gap (26), prize indemnifica-  
13 tion (27), service contract reimbursement (28) [~~and~~], involuntary unem-  
14 ployment (30), salary protection (31), donor medical expense (32),  
15 excess business disability insurance (33), representations and warran-  
16 ties (36), and tax interpretation (37);

17 (2) If licensed to write fire (4), it may be licensed to write miscel-  
18 laneous property (5), water damage (6), collision (12), motor vehicle  
19 and aircraft physical damage (19), inland marine as specified in marine  
20 and inland marine (20) and parametric [~~+34~~] (35);

21 § 10. Group A of table one of paragraph 1 of subsection (a) of section  
22 4103 of the insurance law, as amended by chapter 369 of the laws of  
23 2024, is amended to read as follows:

24 Group A:		
25 7	\$300,000	\$150,000
26 8, 9, 10, 11, or 14 - for each such kind	\$100,000	\$ 50,000
27 13 or 15 - for each such kind	\$500,000	\$250,000
28 16	\$900,000	\$450,000
29 17	\$400,000	\$200,000
30 Basic additional amount		
31 required for any one		
32 or more of the above		
33 kinds of insurance	\$100,000	\$ 50,000
34 3(i), 3(ii), 6{1} or 12{2} - for each		
35 such kind	\$100,000	\$ 50,000
36 22	\$2,000,000	\$1,000,000
37 24	\$400,000	\$200,000
38 26(B)	\$200,000	\$100,000
39 26(A), 26(C) or 26(D) -		
40 for each such kind	\$600,000	\$300,000
41 27	\$300,000	\$150,000
42 28	\$2,000,000	\$1,000,000
43 30	\$400,000	\$200,000
44 31	\$100,000	\$ 50,000
45 32	\$100,000	\$ 50,000
46 33	\$100,000	\$ 50,000
47 34	\$2,000,000	<del>[\$1,000,000]</del>
48		<u>\$1,000,000</u>
49 <u>36</u>	<u>\$35,000,000</u>	<u>\$17,500,000</u>
50 <u>37</u>	<u>\$35,000,000</u>	<u>\$17,500,000</u>

51 § 11. Note 3 of table one of paragraph 1 of subsection (a) of section  
52 4103 of the insurance law, as amended by chapter 569 of the laws of  
53 2024, is amended to read as follows:

1 {3} If licensed to write paragraph 4, no additional paid-in capital  
2 and surplus is required for a license to write paragraphs 5, 6, 12, 19,  
3 20, (inland marine only) and [~~34~~] 35.

4 § 12. Note 1 of table two of paragraph 1 of subsection (a) of section  
5 4107 of the insurance law, as amended by chapter 569 of the laws of  
6 2024, is amended to read as follows:

7 {1} If licensed to write paragraph 4, no additional surplus is  
8 required for a license to write paragraphs 5, 6, 12, 19, 20, (inland  
9 marine only) and [~~34~~] 35.

10 § 13. Group C of table three of subsection (b) of section 4107 of the  
11 insurance law, as amended by chapter 359 of the laws of 2021, is amended  
12 to read as follows:

13 Group C:

14 3(i) or 3(ii) - for each such kind	\$ 100,000	\$ 100,000
15 22	\$3,000,000	\$2,000,000
16 24	\$ 300,000	\$ 300,000
17 26 (B)	\$ 300,000	\$ 200,000
18 26(A), 26(C) or 26(D) -		
19 for each such kind	\$ 900,000	\$ 600,000
20 28	\$3,000,000	\$2,000,000
21 6{5}, 12{6} or 14{2} - for		
22 each such kind	\$ 50,000	\$ 50,000
23 27	\$ 300,000	\$ 150,000
24 30	\$ 300,000	\$ 300,000
25 31	\$ 100,000	\$ 100,000
26 32	\$ 100,000	\$ 100,000
27 33	\$ 100,000	\$ 100,000
28 <u>36</u>	<u>\$35,000,000</u>	<u>\$35,000,000</u>
29 <u>37</u>	<u>\$35,000,000</u>	<u>\$35,000,000</u>

30 § 14. Note 3 of table three of subsection (b) of section 4107 of the  
31 insurance law, as amended by chapter 569 of the laws of 2024, is amended  
32 to read as follows:

33 {3} If licensed to write paragraph 4, no additional surplus is  
34 required for a license to write paragraphs 5, 6, 12, 19, 20, (inland  
35 marine only) and [~~34~~] 35.

36 § 15. This act shall take effect on the thirtieth day after it shall  
37 have become a law. Effective immediately, the addition, amendment and/or  
38 repeal of any rule or regulation necessary for the implementation of  
39 this act on its effective date are authorized to be made and completed  
40 on or before such effective date.