STATE OF NEW YORK

9653

IN SENATE

March 31, 2026

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

AN ACT to amend the navigation law and the insurance law, in relation to marine transportation network companies

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

Section 1. The navigation law is amended by adding a new article 11-A to read as follows:

ARTICLE 11-A
MARINE TRANSPORTATION NETWORK COMPANY SERVICES
Section 150. Definitions.
151. General provisions.
152. Financial responsibility of marine transportation network companies.
153. Disclosures.
154. Insurance provisions.
155. Operator and vessel requirements.
156. Maintenance of records.
157. Audit procedures; confidentiality of records.
158. Criminal history background check of marine transportation network company operators.

§ 150. Definitions. As used in this article: 1. "Marine transportation network company vessel" or "MTNC vessel" means a vessel that is:

(a) used by a marine transportation network company operator to provide a MTNC prearranged trip originating within the state of New York; and

(b) owned, leased or otherwise authorized for use by the marine transportation network company operator.

Such term shall not include:

(i) a water taxi;

(ii) a ferry; or

(iii) a charter vessel.

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

LBD15369-01-6

2. "Digital network" means any system or service offered or utilized by a marine transportation network company that enables MTNC prearranged trips with marine transportation network company operators.

3. "Marine transportation network company" or "MTNC" means a person, corporation, partnership, sole proprietorship, or other entity that is licensed pursuant to this article and is operating in New York state exclusively using a digital network to connect marine transportation network company passengers to marine transportation network company operators who provide MTNC prearranged trips.

4. "Marine transportation network company operator" or "MTNC operator" means an individual who:

(a) Receives connections to potential passengers and related services from a marine transportation network company in exchange for payment of a fee to the marine transportation network company; and

(b) Uses a MTNC vessel to offer or provide a MTNC prearranged trip to marine transportation network company passengers upon connection through a digital network controlled by a marine transportation network company in exchange for compensation or payment of a fee.

5. "Marine transportation network company passenger" or "passenger" means a person or persons who use a marine transportation network company's digital network to connect with a marine transportation network company operator who provides MTNC prearranged trips to the passenger in the MTNC vessel between points chosen by the passenger.

6. (a) "MTNC prearranged trip" or "trip" means the provision of marine transportation by a marine transportation network company operator to a passenger provided through the use of a MTNC's digital network:

(i) beginning when a marine transportation network company operator accepts a passenger's request for a trip through a digital network controlled by a marine transportation network company;

(ii) continuing while the marine transportation network company operator transports the requesting passenger in a MTNC vessel; and

(iii) ending when the last requesting passenger departs from the MTNC vessel.

(b) The term "MTNC prearranged trip" does not include marine transportation provided through any of the following:

(i) a water taxi;

(ii) a ferry; or

(iii) a charter vessel.

7. "Group policy" means an insurance policy issued pursuant to section three thousand four hundred fifty-five of the insurance law.

§ 151. General provisions. 1. An MTNC or an MTNC operator shall not be deemed a common carrier, as defined in subdivision six of section two of the transportation law.

2. (a) An MTNC may not operate in the state of New York without first having obtained a license issued by the department in a form and manner and with applicable fees as provided for by regulations promulgated by the commissioner. As a condition of obtaining a license, an MTNC shall be required to submit to the department proof of a group policy issued pursuant to section three thousand four hundred fifty-five of the insurance law. Failure of an MTNC to comply with the provisions of this article may result in applicable penalties, which may include, but are not limited to fines, suspension or revocation of license or a combination thereof as otherwise provided by law. No license shall be suspended or revoked except upon notice to the MTNC and after an opportunity to be heard.

(b) Failure of an MTNC to obtain a license before operation, pursuant to this subdivision shall constitute a misdemeanor.

3. An MTNC must maintain an agent for service of process in the state of New York.

4. On behalf of an MTNC operator, an MTNC may charge a fare for the services rendered to passengers; provided that, if a fare is collected from a passenger, the MTNC shall disclose to such passenger the fare within the MTNC's digital network. The MTNC shall also provide passengers, before such passengers enter a MTNC vessel, the actual fare or an estimated fare for such MTNC prearranged trip through the MTNC's digital network. The MTNC shall also post the fair calculation method on its website.

5. An MTNC's digital network shall display a picture of the MTNC operator, and provide make, model and registration number of the MTNC vessel utilized for providing the MTNC prearranged trip before the passenger enters the MTNC vessel.

6. Within a reasonable period of time following the completion of a trip, a MTNC shall transmit an electronic receipt to the passenger on behalf of the MTNC operator that lists:

(a) The origin and destination of the trip;

(b) The total time and distance of the trip;

(c) An itemization of the total fare paid, if any;

(d) A separate statement of the applicable assessment fee and surcharge; and

(e) The MTNC name and operating license number.

7. A MTNC operator shall not solicit or accept dock or shore hails.

8. An MTNC shall adopt a policy prohibiting solicitation or acceptance of cash payments for the fares charged to passengers for MTNC prearranged trips and notify MTNC operators of such policy. MTNC operators shall not solicit or accept cash payments from passengers.

9. An MTNC shall prevent an MTNC operator from accepting MTNC prearranged trips within a city of a population of one million or more.

10. Nothing in this article shall apply to cities with a population of one million or more.

§ 152. Financial responsibility of marine transportation network companies. 1. An MTNC operator, or MTNC on the MTNC operator's behalf through a group policy, shall maintain insurance that recognizes that the operator is an MTNC operator and provides financial responsibility coverage:

(a) while the MTNC operator is logged onto the MTNC's digital network; and

(b) while the MTNC operator is engaged in a MTNC prearranged trip.

2. (a) The following financial responsibility insurance requirements shall apply while an MTNC operator is logged onto the MTNC's digital network but is not engaged in a MTNC prearranged trip: insurance against loss from the liability imposed by law for damages, including damages for care and loss of services, because of bodily injury to or death of any person, and injury to or destruction of property arising out of the ownership, maintenance, use or operation of a personal vessel or vessels within this state, or elsewhere in the United States in North America or Canada, subject to a limit, exclusive of interest and costs, with respect to each such occurrence, of at least seventy-five thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of at least one hundred fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and to a limit of at

least twenty-five thousand dollars because of injury to or destruction of property of others in any one accident, provided however, that such policy need not be for a period coterminous with the registration period of the personal vessel insured, and coverage in satisfaction of the financial responsibility requirements set forth in section three thousand four hundred twenty of the insurance law, article fifty-one of the insurance law, and such other requirements or regulations that may apply for the purposes of satisfying the financial responsibility requirements with respect to the use or operation of a vessel.

(b) The coverage requirements of paragraph (a) of this subdivision may be satisfied by any of the following:

(i) insurance maintained by the MTNC operator; or

(ii) insurance provided through a group policy maintained by the MTNC; or

(iii) a combination of subparagraphs (i) and (ii) of this paragraph.

3. (a) The following automobile financial responsibility insurance requirements shall apply while a MTNC operator is engaged in a MTNC prearranged trip: insurance against loss from the liability imposed by law for damages, including damages for care and loss of services, because of bodily injury to or death of any person, and injury to or destruction of property arising out of the ownership, maintenance, use, or operation of a specific personal vessel or vessels within this state, or elsewhere in the United States in North America or Canada, subject to a limit, exclusive of interest and costs, with respect to each such occurrence, of at least one million two hundred fifty thousand dollars because of bodily injury to or death of any person, and injury to or destruction of property provided however, that such policy need not be for a period coterminous with the registration period of the personal vessel insured, and coverage in satisfaction of the financial responsibility requirements set forth in section three thousand four hundred twenty of the insurance law, article fifty-one of the insurance law; coverage provided in accordance with subsection (f) of section three thousand four hundred twenty of the insurance law, providing supplementary uninsured/underinsured motorist insurance for bodily injury, in the amount of one million two hundred fifty thousand dollars because of bodily injury to or death of any person in any one accident; and such other requirements or regulations that may apply for the purposes of satisfying the financial responsibility requirements with respect to the use or operation of a vessel.

(b) The coverage requirements of paragraph (a) of this subdivision may be satisfied by any of the following:

(i) insurance maintained by the MTNC operator; or

(ii) insurance provided through a group policy maintained by the MTNC; or

(iii) a combination of subparagraphs (i) and (ii) of this paragraph.

4. An MTNC shall, upon entering into a contractual agreement with an MTNC operator, provide notice to the MTNC operator that they may need additional insurance coverage including vessel physical damage coverage as described in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of the insurance law if the MTNC vessel being used by the MTNC operator is subject to a lease or loan. An MTNC shall also post this notice on its website in a prominent place, and provide contact information for the department of financial services.

5. If insurance maintained by an MTNC operator pursuant to subdivisions two and three of this section has lapsed or does not provide the required coverage, then the group policy maintained by an MTNC shall

provide the coverage required by this section beginning with the first dollar of a claim and have the duty to defend such claim.

6. Coverage under a group policy maintained by the MTNC shall not be dependent on the denial of a claim by the insurer that issued the insurance policy used to register the MTNC vessel, nor shall that insurer be required to first deny a claim.

7. (a) Except as provided in paragraph (b) of this subdivision, a group policy maintained by an MTNC pursuant to subparagraph (ii) of paragraph (b) of subdivisions two or three of this section shall be placed with an insurer authorized to write insurance in this state.

(b) If a MTNC is unable to purchase a group policy pursuant to subparagraph (ii) of paragraph (b) of subdivisions two or three of this section because such insurance is unavailable from authorized insurers the MTNC may acquire such group insurance with an excess line broker pursuant to section two thousand one hundred eighteen of the insurance law.

(c) The obligation to determine whether the insurance required by this section is unavailable from insurers authorized to write insurance in this state shall be made prior to the initial placement and at each renewal of a policy.

8. An MTNC operator who, while operating a MTNC vessel was logged on to the MTNC's digital network but not engaged in a MTNC prearranged trip or was engaged in a MTNC prearranged trip, and has in effect the insurance required pursuant to this article, shall not be deemed to be in violation of this article during such time that they were logged on to the MTNC's digital network but not engaged in a MTNC prearranged trip or was engaged in a MTNC prearranged trip.

9. An MTNC operator shall carry proof of coverage satisfying subdivisions two and three of this section at all times during their use or operation of an MTNC vessel in connection with an MTNC's digital network. Such proof of coverage shall be in such form as the commissioner shall prescribe, which may be in the form of an insurance identification card. Whenever the production of an insurance identification card is required by law, an MTNC operator shall produce the insurance identification card issued pursuant to this article if such operator was engaged in an MTNC prearranged trip.

10. The superintendent of financial services is authorized to issue such rules and regulations necessary to implement this section.

11. The superintendent of financial services may promulgate regulations to address insurance coverage under this section and section one hundred fifty-four of this article when an MTNC operator uses multiple digital networks simultaneously.

12. An insurer shall not include a mandatory arbitration clause in a policy issued pursuant to this section. Nothing in this section supercedes the mandatory arbitration requirements contained in section five thousand one hundred five of the insurance law.

§ 153. Disclosures. A MTNC shall disclose in writing to MTNC operators the following before they are allowed to accept a request for a MTNC prearranged trip on the MTNC's digital network:

1. The insurance coverage, including the types of coverage and the limits for each coverage, that the MTNC provides while the MTNC operator uses an MTNC vessel in connection with an MTNC's digital network;

2. That the MTNC operator's own liability insurance policy might not provide any coverage while the MTNC operator is logged on to the MTNC's digital network or is engaged in an MTNC prearranged trip, depending on its terms; and

3. That, if an MTNC vessel has a lien against it, then the continued use of such MTNC vessel by its MTNC operator without physical damage coverage may violate the terms of the contract with the lienholder.

§ 154. Insurance provisions. 1. Insurers that write marine insurance in this state may, in the insurance policy, exclude any and all coverage afforded under the policy issued to an owner or operator of an MTNC vessel for any loss or injury that occurs while an MTNC operator is logged on to an MTNC's digital network or while an operator provides a MTNC prearranged trip, including:

(a) liability coverage for bodily injury and property damage;

(b) coverage provided pursuant to article fifty-one of the insurance law; and

(c) vessel physical damage coverage as described in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of the insurance law.

2. Such exclusions shall apply notwithstanding any requirement under the law to the contrary. Nothing in this section implies or requires that an owner's policy of liability insurance or other marine insurance policy provide coverage while the MTNC operator is logged on to the MTNC's digital network, while the MTNC operator is engaged in a MTNC prearranged trip or while the MTNC operator otherwise uses or operates an MTNC vessel to transport passengers for compensation.

3. Nothing shall be deemed to preclude an insurer from providing primary, excess, or umbrella coverage for the MTNC operator's MTNC vessel, if it chooses to do so by contract or endorsement.

4. Marine insurers that exclude the coverage described in this article shall have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in this article shall be deemed to invalidate or limit an exclusion contained in a policy including any policy in use or approved for use in this state prior to the effective date of this section.

5. A marine insurer that defends or indemnifies a claim against an MTNC operator that is excluded under the terms of its policy shall have a right of contribution against other insurers that provide marine insurance to the same operator in satisfaction of the coverage requirements of the provisions of this article.

6. In a claims coverage investigation, an MTNC and any insurer providing coverage under this article shall, within fifteen days after a claim has been filed, facilitate the exchange of relevant information with directly involved parties and any insurer of the MTNC operator if applicable, including the precise times that an MTNC operator logged on and off of the MTNC's digital network in the twelve hour period immediately preceding and in the twelve hour period immediately following the accident and disclose to one another a clear description of the coverage, exclusions and limits provided under any marine insurance maintained under this article.

7. The superintendent of financial services may promulgate such rules and regulations that the superintendent deems necessary to facilitate the sharing of information between insurers, when a vessel accident occurs and at least one of the insurers is providing financial responsibility coverage to an MTNC vessel pursuant to this article.

8. The commissioner shall provide relevant insurance coverage information required by this article to the following persons upon request:

(a) a person to whom an accident report pertains or who is named in such report, or their authorized representative; and

(b) any other person or their authorized representative who has demonstrated to the satisfaction of the commissioner that such person is or may be a party to a civil action arising out of the conduct described in such accident report.

§ 155. Operator and vessel requirements. 1. (a) At all times, an individual acting as an MTNC operator shall be permitted by the MTNC as follows:

(i) The individual shall submit an application to the MTNC, which shall include information regarding their address, age, operator's license, vessel registration, liability insurance, and other information required by the MTNC;

(ii) The MTNC shall conduct, or have a third party conduct, a criminal background check for each applicant in accordance with section one hundred fifty-eight of this article and that shall review whether the applicant:

(A) is listed on the New York state sex offender registry pursuant to article six-C of the correction law; and

(B) is a match in the United States Department of Justice National Sex Offender Public Website;

(b) The MTNC shall not permit an applicant where such applicant:

(i) fails to meet all qualifications pursuant to section one hundred fifty-eight of this article;

(ii) is a match in the United States Department of Justice National Sex Offender Public Website;

(iii) is listed on the sex offender registry pursuant to article six-C of the correction law;

(iv) does not possess a valid New York boater's license;

(v) does not possess proof of registration for the vessels used to provide MTNC prearranged trips;

(vi) does not possess proof of liability insurance for the vessels used to provide MTNC prearranged trips as a MTNC vessel; or

(vii) is not at least nineteen years of age.

(c) Upon review of all information received and retained by the MTNC and upon verifying that the individual is not disqualified pursuant to this section from receiving an MTNC operator permit, an MTNC may issue an MTNC operator permit to the applicant. The MTNC shall review all information received relating to such applicant and hold such information for six years along with a certification that such applicant qualifies to receive an MTNC operator permit.

(d) No person shall operate an MTNC vessel or operate as an MTNC operator unless such person holds a valid MTNC operator permit issued pursuant to this section. A violation of this paragraph shall be a violation punishable by a fine of not less than seventy-five nor more than three hundred dollars, or by imprisonment for not more than fifteen days, or by both such fine and imprisonment.

2. An MTNC shall implement a zero-tolerance policy regarding an MTNC operator's activities while accessing the MTNC's digital network. Such policy shall address the issue of operating a vessel under the influence of alcohol or drugs while an MTNC operator is providing MTNC prearranged trips or is logged onto the MTNC's digital network but is not providing MTNC prearranged trips, and the MTNC shall provide notice of this policy on its digital network, as well as procedures to report a complaint about an MTNC operator with whom an MTNC prearranged trip was commenced and whom the passenger reasonably suspects was operating a vessel under the influence of alcohol or drugs during the course of the MTNC prearranged trip.

3. (a) An MTNC shall adopt a policy of non-discrimination on the basis of destination, race, color, national origin, religious belief, practice or affiliation, sex, disability, age, sexual orientation, or genetic predisposition with respect to passengers and potential passengers and notify MTNC operators of such policy.

(b) MTNC operators shall comply with all applicable laws regarding non-discrimination against passengers or potential passengers on the basis of destination, race, color, national origin, religious belief, practice or affiliation, sex, disability, age, sexual orientation, or genetic predisposition with respect to passengers and potential passengers and notify MTNC operators of such policy.

(c) MTNC operators shall comply with all applicable laws relating to accommodation of service animals.

(d) An MTNC shall implement and maintain a policy and an oversight process of providing accessibility to passengers or potential passengers with a disability and accommodation of service animals as such term is defined in section one hundred twenty-three-b of the agriculture and markets law and shall to the extent practicable adopt findings established by the New York state MTNC accessibility task force adopted pursuant to section twenty-one of the chapter of the laws of two thousand seventeen that added this section. An MTNC shall not impose additional charges for providing services to persons with physical disabilities because of those disabilities.

(e) The New York state division of human rights shall be authorized to accept, review and investigate any potential or actual violations of this subdivision in a form and manner consistent with authority under article fifteen of the executive law and shall notify the department, upon a finding of a violation, for purposes of permit suspension.

4. An MTNC shall require that any or all vessels that an MTNC operator will use as an MTNC vessel to provide MTNC prearranged trips meets applicable New York state vessel safety and equipment requirements.

5. The department shall promulgate regulations to ensure that each MTNC vessel is easily identified as such and that the MTNC for which the MTNC operator is providing the MTNC service or MTNC prearranged trip is distinguishable. Such marking shall be in such form as is approved by the commissioner, and shall be attached, affixed or displayed in such a manner as the commissioner may prescribe by regulation.

§ 156. Maintenance of records. An MTNC shall maintain the following records:

1. individual trip records for at least six years from the date each trip was provided; and

2. individual records of MTNC operators at least until the six year anniversary of the date on which an MTNC operator's relationship with the MTNC has ended.

§ 157. Audit procedures; confidentiality of records. 1. For the purpose of verifying that an MTNC is in compliance with the licensing requirements of the department, the department shall reserve the right to audit a sample of records that the MTNC is required to maintain, upon request by the department that shall be fulfilled in no fewer than ten business days by the MTNC. The sample shall be chosen randomly by the department in a manner agreeable to both parties. The audit shall take place at a mutually agreed location in New York state. Any record furnished to the department may exclude information that would tend to identify specific operators or passengers.

2. The names and identifying information of MTNC operators that are received pursuant to this section shall be considered information which,

if disclosed, would constitute an unwarranted invasion of personal privacy under the provisions of article six of the public officers law.

3. The department shall establish regulations for the filing of complaints against any MTNC operator or MTNC pursuant to this section.

§ 158. Criminal history background check of marine transportation network company operators. 1. An MTNC shall conduct, or have a third party conduct, a criminal history background check using a lawful method approved by the department pursuant to paragraph (a) of subdivision two of this section for persons applying to drive for such company.

2. (a) The method used to conduct a criminal history background check pursuant to subdivision one of this section shall be established in regulations adopted by the department within thirty days of the effective date of this subdivision. To ensure safety of the passengers and the public such regulations shall establish the method used to conduct such background checks and any processes and operations necessary to complete such checks. The review of criminal history information and determinations about whether or not an applicant is issued an MTNC operator permit shall be controlled by paragraphs (b), (c) and (d) of this subdivision.

(b) An applicant shall be disqualified to receive an MTNC operator permit where such applicant:

(i) stands convicted in the last three years of: a violation of any provisions of article four of this chapter. In calculating the three year period under this subparagraph, any period of time during which the person was incarcerated after the commission of such offense shall be excluded and such three year period shall be extended by a period or periods equal to the time spent incarcerated;

(ii) stands convicted in the last seven years of: a felony offense defined in article one hundred twenty-five of the penal law, a violent felony offense defined in section 70.02 of the penal law, a class A felony offense defined in the penal law, a felony offense defined in section forty-nine-a, or any conviction of an offense in any other jurisdiction that has all the essential elements of an offense listed in this subparagraph. In calculating the seven year period under this subparagraph, any period of time during which the person was incarcerated after the commission of such offense shall be excluded and such seven year period shall be extended by a period or periods equal to the time spent incarcerated; or

(iii) is required to register as a sex offender pursuant to article six-C of the correction law.

(c) A criminal history record that contains criminal conviction information that does not disqualify an applicant pursuant to subparagraphs (i) or (ii) of paragraph (b) of this subdivision, shall be reviewed and considered according to the provisions of article twenty-three-A of the correction law and subdivisions fifteen and sixteen of section two hundred ninety-six of the executive law in determining whether or not the applicant should be issued an MTNC operator's permit.

(d) Upon receipt of criminal conviction information pursuant to this section for any applicant, such applicant shall promptly be provided with a copy of such information as well as a copy of article twenty-three-A of the correction law. Such applicant shall also be informed of their right to seek correction of any incorrect information contained in such criminal history information pursuant to the regulations and procedures established by the division of criminal justice services.

(e) The department shall promulgate regulations for the purpose of implementing the provisions of this subdivision.

3. An MTNC shall update the criminal history background check yearly during the period in which the person is authorized to drive for the company, however, the commissioner may require, pursuant to regulation, more frequent criminal history background checks.

4. To ensure safety of the passengers and the public an MTNC shall be responsible for all fees associated with the criminal history background check pursuant to subdivision one of this section.

5. Any MTNC found to have violated any requirements established pursuant to this section, shall on the first instance, be subject to a civil penalty of not more than ten thousand dollars. For any subsequent instance within the period of two years from any initial violation, such MTNC shall be subject to a civil penalty of not more than fifty thousand dollars, or the suspension or revocation of its MTNC license or both.

§ 2. Sections 3455 and 3456 of the insurance law, as added by section 6 of part AAA of chapter 59 of the laws of 2017, are amended to read as follows:

§ 3455. Transportation network company group insurance policies. (a) For purposes of this section, the following definitions shall apply:

(1) "Transportation network company" shall have the same meaning as set forth in article forty-four-B of the vehicle and traffic law.

(1-a) "Marine transportation network company" shall have the same meaning as set forth in article eleven-A of the navigation law.

(2) "Certificate" or "certificate of insurance" means any policy, contract or other evidence of insurance, or endorsement thereto, issued to a group member under a transportation network company group policy or a marine transportation network company group policy.

(3) "Transportation network company group policy", "marine transportation network company group policy" or "group policy" means a group policy, including certificates issued to the group members, where the group policyholder is a transportation network company or a marine transportation network company and the policy provides insurance to the transportation network company or a marine transportation network company and to group members:

(A) in accordance with the requirements of article forty-four-B of the vehicle and traffic law or article eleven-A of the navigation law;

(B) of the type described in paragraph thirteen, fourteen, or nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter; and

(C) in satisfaction of the applicable financial responsibility requirements set forth in section three thousand four hundred twenty of this article, subdivision four of section three hundred eleven of the vehicle and traffic law, article fifty-one of this chapter, and such other requirements or regulations that may apply for the purposes of satisfying the financial responsibility requirements with respect to the use or operation of a motor vehicle or a vessel.

(4) "Group member" means a transportation network company driver or a marine transportation network company operator as defined in article forty-four-B of the vehicle and traffic law or article eleven-A of the navigation law, respectively.

(5) "Group policyholder" means a transportation network company or a marine transportation network company.

(6) "TNC vehicle" shall have the meaning set forth in article forty-four-B of the vehicle and traffic law.

(7) "MTNC vessel" shall have the meaning set forth in article eleven-A of the navigation law.

(b) An insurer may issue or issue for delivery in this state a transportation network company group policy **or a marine transportation network company group policy** to a transportation network company **or a marine transportation network company** as a group policyholder only in accordance with the provisions of this section.

(c)(1) A transportation network company group policy shall provide coverage for a TNC vehicle in accordance with the requirements of article forty-four-B of the vehicle and traffic law.

(1-a) A marine transportation network company group policy shall provide coverage for an MTNC vessel in accordance with the requirements of article eleven-A of the navigation law.

(2) A transportation network company group policy **or a marine transportation network company group policy** may provide:

(A) coverage for limits higher than the minimum limits required pursuant to article forty-four-B of the vehicle and traffic law **or article eleven-A of the navigation law**.

(B) supplementary uninsured/underinsured motorists insurance for bodily injury pursuant to paragraph two of subsection (f) of section three thousand four hundred twenty of this article;

(C) supplemental spousal liability insurance pursuant to subsection (g) of section three thousand four hundred twenty of this chapter; and

(D) motor vehicle physical damage coverage as described in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter**, if applicable**.

(3) The coverage described in paragraphs one and two of this subsection may be provided in one group policy or in separate group policies.

(4) A transportation network company group policy, including certificates, shall be issued by authorized insurers or from excess line brokers pursuant to section sixteen [~~six~~] hundred ninety-three of the vehicle and traffic law.

(4-a) A marine transportation network company group policy, including certificates, shall be issued by authorized insurers or from excess line brokers pursuant to section one hundred fifty-four of the navigation law.

(5) A policyholder also may be an insured under a group policy.

(d) The premium for the transportation network company group policy **or marine transportation network company group policy**, including certificates may be paid by the group policyholder from the funds contributed:

(1) wholly by the group policyholder;

(2) wholly by the group members; or

(3) jointly by the group policyholder and the group members.

(e) (1) Any policy dividend, retrospective premium credit, or retrospective premium refund in respect of premiums paid by the group policyholder may:

(A) be applied to reduce the premium contribution of the group policyholder, but not in excess of the proportion to its contribution; or

(B) be retained by the group policyholder.

(2) Any policy dividend, retrospective premium credit, or retrospective premium refund not distributed under paragraph one of this subsection shall be:

(A) applied to reduce future premiums and, accordingly, future contributions, of existing or future group members, or both; or

(B) paid or refunded to those group members insured on the date the payment or refund is made to the group policyholder, if distributed by the group policyholder, or on the date of mailing, if distributed directly by the insurer, subject to the following requirements:

(i) The insurer shall be responsible for determining the allocation of the payment of refund to the group members;

(ii) If the group policyholder distributes the payment or refund, the insurer shall be responsible for audit to ascertain that the payment or refund is actually made in accordance with the allocation procedure; and

(iii) If the group policyholder fails to make the payment or refund, the insurer shall make the payment or refund directly or use the method provided in subparagraph (A) of this paragraph.

(3) Notwithstanding paragraphs one and two of this subsection, if a dividend accrues upon termination of coverage under a transportation network company group policy **or a marine transportation network company group policy**, the premium for which was paid out of funds contributed by group members specifically for the coverage, the dividend shall be paid or refunded by the group policyholder to the group members insured on the date the payment or refund is made to the group policyholder, net of reasonable expenses incurred by the group policyholder in paying or refunding the dividend to such group members.

(4) For the purposes of this subsection, "dividend" means a return by the insurer of a transportation network company group policy **or a marine transportation network company group policy** of excess premiums to the group policyholder in light of favorable loss experience, including retrospective premium credits or retrospective premium refunds. The term "dividend" does not include reimbursements or fees received by a group policyholder in connection with the operation or administration of a transportation network company group policy **or a marine transportation network company group policy**, including administrative reimbursements, fees for services provided by the group policyholder, or transactional service fees.

(f) The insurer shall treat in like manner all eligible group members of the same class and status.

(g) Each policy written pursuant to this section shall provide per occurrence limits of coverage for each group member in an amount not less than that required by this article, and may provide coverage for limits higher than the minimum limits required under the law.

(h) (1) The insurer shall be responsible for mailing or delivery of a certificate of insurance to each group member insured under the transportation network company group policy, provided, however, that the insurer may delegate the mailing or delivery to the transportation network company **or the marine transportation network company**. The insurer shall also be responsible for the mailing or delivery to each group member of an amended certificate of insurance or endorsement to the certificate, whenever there is a change in limits; change in type of coverage; addition, reduction, or elimination of coverage; or addition of exclusion, under the transportation network company **or marine transportation network company** group policy or certificate.

(2) The certificate shall contain in substance all material terms and conditions of coverage afforded to group members, unless the transportation network company group policy **or marine transportation network company group policy** is incorporated by reference and a copy of the group policy accompanies the certificate.

(3) If any coverage afforded to the group member is excess of applicable insurance coverage, the certificate shall contain a notice advising

the group members that, if the member has other insurance coverage, specified coverages under the transportation network company group policy **or marine transportation network company group policy** will be excess over the other insurance.

(i) A group policyholder shall comply with the provisions of section two thousand one hundred twenty-two of this chapter, in the same manner as an agent or broker, in any advertisement, sign, pamphlet, circular, card, or other public announcement referring to coverage under a transportation network company group policy or certificate **or marine transportation network company group policy or certificate**.

(j) A transportation network company group policy **or marine transportation network company group policy** shall not be subject to section three thousand four hundred twenty-five or section three thousand four hundred twenty-six of this article; provided that the following requirements shall apply with regard to termination of coverage:

(1)(A) An insurer may terminate a group policy or certificate only if cancellation is based on one or more of the reasons set forth in subparagraph (A) through (D) or (F) through (H) of paragraph one of subsection (c) of section three thousand four hundred twenty-six of this article; provided, however, that an act or omission by a group member that would constitute the basis for cancellation of an individual certificate shall not constitute the basis for cancellation of the group policy.

(B) Where the premium is derived wholly from funds contributed by the group policyholder, an insurer may cancel an individual certificate only if cancellation is based on one or more of the reasons set forth in subparagraph (B), (C) or (H) of paragraph one of subsection (c) of section three thousand four hundred twenty-six of this article.

(2) (A) An insurer's cancellation of a group policy, including all certificates, shall not become effective until thirty days after the insurer mails or delivers written notice of cancellation to the group policyholder at the mailing address shown in the policy.

(i) Where all or part of the premium is derived from funds contributed by the group member specifically for the coverage, the insurer shall also mail or deliver written notice of cancellation of the group policy to the group member at the group member's mailing address. Such cancellation shall not become effective until thirty days after the insurer mails or delivers the written notice to the group member.

(ii) Where none of the premium is derived from funds contributed by a group member specifically for the coverage, the group policy holder shall mail or deliver written notice to the group member advising the group member of the cancellation of the group policy and the effective date of cancellation. The group policy holder shall mail or deliver the written notice within ninety days after receiving notice of cancellation from the insurer.

(B) An insurer's cancellation of an individual certificate shall not become effective until thirty days after the insurer mails or delivers written notice of cancellation to the group member at the group member's mailing address and to the group policyholder at the mailing address shown in the group policy.

(3) (A) A group policyholder may cancel a group policy, including all certificates, or any individual certificate, for any reason upon thirty days written notice to the insurer and each group member; and

(B) The group policyholder shall mail or deliver written notice to each affected group member of the group policyholder's cancellation of the group policy or certificate and the effective date of cancellation. The group policyholder shall mail or deliver the written notice to the

group member's mailing address at least thirty days prior to the effective date of cancellation.

(4) (A) Unless a group policy provides for a longer policy period, the policy and all certificates shall be issued or renewed for a one-year policy period.

(B) The group policyholder shall be entitled to renew the group policy and all certificates upon timely payment of the premium billed to the group policyholder for the renewal, unless:

(i) the insurer mails or delivers to the group policyholder and all group members written notice of nonrenewal, or conditional renewal; and

(ii) the insurer mails or delivers the written notice at least thirty, but not more than one hundred twenty days prior to the expiration date specified in the policy or, if no date is specified, the next anniversary date of the policy.

(5) Where the group policyholder nonrenews the group policy, the group policyholder shall mail or deliver written notice to each group member advising the group member of nonrenewal of the group policy and the effective date of nonrenewal. The group policyholder shall mail or deliver written notice at least thirty days prior to the nonrenewal.

(6) Every notice of cancellation, nonrenewal, or conditional renewal shall set forth the specific reason or reasons for cancellation, nonrenewal, or conditional renewal.

(7) (A) An insurer shall not be required under this subsection to give notice to a group member if the insurer has been advised by either the group policyholder or another insurer that substantially similar coverage has been obtained from the other insurer without lapse of coverage.

(B) A group policyholder shall not be required under this subsection to give notice to a group member if substantially similar coverage has been obtained from another insurer without lapse of coverage.

(8) (A) If, prior to the effective date of cancellation, nonrenewal, or conditional renewal of the group policy, or a certificate, whether initiated by the insurer, group policyholder or by the group member in regard to the group member's certificate, coverage attaches pursuant to the terms of a group policy, then the coverage shall be effective until expiration of the applicable period of coverage provided in the group policy notwithstanding the cancellation, nonrenewal or conditional nonrenewal of the group policy.

(B) Notwithstanding subparagraph (A) of this paragraph, an insurer may terminate coverage under an individual certificate on the effective date of cancellation, if the certificate is cancelled in accordance with the provisions of subparagraph (B) of paragraph one of this subsection.

(k) Any mailing or delivery to a group member required or permitted under this section may be made by electronic mail if consent to such method of delivery has been previously received from such group member.

(l) An insurer may issue a transportation network company group policy **or marine transportation network company group policy** to a transportation network company **or a marine transportation network company**, notwithstanding that it may be a condition of operating a vehicle **or a vessel** on the transportation network company's **or marine transportation network company's** digital network for the TNC driver **or MTNC operator** to participate in such group policy.

(m) An insurer shall not include a mandatory arbitration clause in a policy that provides financial responsibility coverage under this section except as permitted in section five thousand one hundred five of the insurance law.

§ 3456. Prohibition against cancellation of policy when motor vehicle **or vessel** is used or operated through a transportation network company program. (a) An insurer shall not cancel an existing motor vehicle insurance policy **or marine insurance policy** solely on the basis that the motor vehicle **or vessel** covered by the insurance has been made available pursuant to a transportation network company program in compliance with article forty-four-B of the vehicle and traffic law **or a marine transportation network company in compliance with article eleven-A of the navigation law**.

(b) The definitions set forth in section three thousand four hundred fifty-five of this article shall apply to this section.

§ 3. Subsection (b) of section 2305 of the insurance law is amended by adding a new paragraph 2-a to read as follows:

(2-a) marine insurance required by article eleven-A of the navigation law;

§ 4. Paragraph 1 of subsection (a) of section 3425 of the insurance law, as amended by chapter 129 of the laws of 2022, is amended to read as follows:

(1) "Covered policy" means a contract of insurance, referred to in this section as "automobile insurance", issued or issued for delivery in this state, on a risk located or resident in this state, insuring against losses or liabilities arising out of the ownership, operation, or use of a motor vehicle, predominantly used for non-business purposes, when a natural person is the named insured under the policy of automobile insurance; provided, however, that the use or operation of the motor vehicle by a transportation network company driver as a TNC vehicle in accordance with article forty-four-B of the vehicle and traffic law or the use or operation of the motor vehicle through a peer-to-peer car sharing program in accordance with article forty of the general business law, **or the use or operation of the vessel by a marine transportation network company operator as an MTNC vessel in accordance with article eleven-A of the navigation law** shall not be included in determining whether the motor vehicle **or vessel** is being used predominantly for non-business purposes.

§ 5. Section 14 of the navigation law is amended to read as follows:

§ 14. Inspector; licenses. The inspector is authorized and empowered to grant licenses as provided in [~~article~~] **articles** four **and eleven-A** of this chapter.

§ 6 . Section 59 of the navigation law is amended by adding a new subdivision 3 to read as follows:

3. This section shall not apply to a marine transportation network company vessel operated in accordance with article eleven-A of this chapter.

§ 7. Paragraphs (a) and (c) of subdivision 6 of section 2 of the navigation law, paragraph (a) as amended by chapter 224 of the laws of 1962 and paragraph (c) as amended by chapter 484 of the laws of 2005, are amended and a new paragraph (e) is added to read as follows:

(a) "Public Vessel" shall mean and include every vessel which is propelled in whole or in part by mechanical power and is used or operated for commercial purposes on the navigable waters of the state; that is either carrying passengers, carrying freight, towing, or for any other use; for which a compensation is received, either directly or where provided as an accommodation, advantage, facility or privilege at any place of public accommodation, resort or amusement. **"Public vessel" shall include a marine transportation network company vessel operated in accordance with article eleven-A of this chapter.**

(c) "Pleasure vessel" shall mean and include every vessel not within the classification of public vessel**, marine transportation network company vessel** or residential vessel. However, the provisions of this chapter shall not apply to rowboats, canoes and kayaks except as otherwise expressly provided.

(e) "Marine transportation network company vessel" or "MTNC vessel" shall mean a vessel that is:

(i) used by a marine transportation network company operator to provide a MTNC prearranged trip originating within the state of New York pursuant to the provisions of article eleven-A of this chapter; and

(ii) owned, leased or otherwise authorized for use by the marine transportation network company operator.

Such term shall not include a water taxi, a ferry, or a charter vessel.

§ 8. This act shall take effect on the one hundred eightieth day after it shall have become a law.