

STATE OF NEW YORK

227

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. CRUZ -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to supplemental uninsured/underinsured insurance; and to amend chapter 490 of the laws of 2017 amending the insurance law relating to limits on certain supplementary insurance, in relation to extending the provisions thereof

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

1 Section 1. Paragraph 2-a of subsection (f) of section 3420 of the
2 insurance law, as amended by chapter 15 of the laws of 2018, is amended
3 to read as follows:
4 (2-a) (A) Notwithstanding paragraph two of this subsection, this para-
5 graph shall apply to any new insurance policy or contract subject to
6 this subsection entered into, issued, renewed, or amended after the
7 effective date of this paragraph. This paragraph shall not be deemed to
8 apply to [~~any policies originally entered into prior to the effective~~
9 ~~date of this paragraph, but renewed after the effective date of this~~
10 ~~paragraph, or to~~] any policy of commercial risk insurance. Any [~~new~~
11 insurance policy or contract entered into, issued, renewed, or amended
12 after the effective date of this paragraph shall~~, at the option of the~~
13 ~~first named insured,~~] also provide supplementary uninsured/underinsured
14 motorists insurance for bodily injury, in an amount equal to the bodily
15 injury liability insurance limits of coverage provided under such motor
16 vehicle liability insurance policy~~[, provided, however, that a first~~
17 ~~named insured may exercise the choice]~~ unless the first named insured
18 elects in writing to decline such supplementary uninsured/underinsured
19 motorists insurance or select a lower amount of coverage through a writ-
20 ten waiver signed, or electronically signed, by such insured, subject to
21 the requirements of subparagraph (B) of this paragraph. Supplementary

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

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1 uninsured/underinsured motorists insurance shall provide coverage, in
2 any state or Canadian province, if the limits of liability under all
3 bodily injury liability bonds and insurance policies of any other motor
4 vehicle liable for damages are in a lesser amount than the bodily injury
5 liability insurance limits of coverage provided by such policy. Upon
6 written request by any insured covered by supplemental
7 uninsured/underinsured motorists insurance or a duly authorized repre-
8 sentative and upon disclosure by the insured of the insured's bodily
9 injury and supplemental uninsured/underinsured motorists insurance
10 coverage limits, the insurer of any other owner or operator of another
11 motor vehicle against which a claim has been made for damages to the
12 insured shall disclose, within forty-five days of the request, the bodi-
13 ly injury liability insurance limits of its coverage provided under the
14 policy or all bodily injury liability bonds. The time of the insured to
15 make any supplementary uninsured/underinsured motorist claim, shall be
16 tolled during the period the insurer of any other owner or operator of
17 another motor vehicle that may be liable for damages to the insured,
18 fails to so disclose its coverage. As a condition precedent to the obli-
19 gation of the insurer to pay under the supplementary
20 uninsured/underinsured motorists insurance coverage, the limits of
21 liability of all bodily injury liability bonds or insurance policies
22 applicable at the time of the accident shall be exhausted by payment of
23 judgments or settlements.

24 (B) In addition to the notice provided, upon issuance, renewal, or
25 amendment of a policy of motor vehicle liability insurance pursuant to
26 regulations promulgated by the superintendent, insurers shall notify
27 insureds, in writing, [~~of the availability of~~] that such policy shall
28 include supplementary uninsured/underinsured motorists coverage in an
29 amount equal to the bodily injury liability insurance limits of coverage
30 provided under such motor vehicle liability insurance policy, unless the
31 insured declines and refuses such insurance or selects a lower amount of
32 coverage in writing. [~~Such notification shall contain an explanation of~~
33 ~~supplementary uninsured/underinsured motorists coverage and the amounts~~
34 ~~in which it can be purchased. Subsequently, a notification of availabil-~~
35 ~~ity shall be provided at least once a year and may be simplified pursu-~~
36 ~~ant to regulations promulgated by the superintendent, but must include a~~
37 ~~concise statement that supplementary uninsured/underinsured motorists~~
38 ~~coverage is available, an explanation of such coverage, and the coverage~~
39 ~~limits that can be purchased from the insurer.] If an insured elects to
40 reject supplementary uninsured/underinsured motorist coverage or select
41 a lower amount of supplementary uninsured/underinsured motorist coverage
42 than the bodily injury liability insurance limits of coverage provided
43 under the insured's motor vehicle liability insurance policy, the
44 selection of lower supplementary uninsured/underinsured motorists cover-
45 age or rejection of such coverage must be made on a written or electron-
46 ic form provided to the first named insured. [~~Such form shall also~~
47 ~~advise that such coverage is equal to the insured's bodily injury~~
48 ~~liability limits under the motor vehicle liability insurance policy~~
49 ~~unless lower limits are requested or the coverage is rejected.] Failure
50 of the insurance carrier to maintain and provide such form shall result
51 in the insurance policy being read to include the maximum supplemental
52 uninsured/underinsured coverage available equal to the liability limits
53 regardless of premiums paid.~~~~

54 (i) The form shall also advise that: supplementary
55 uninsured/underinsured motorists coverage (sum coverage) provides insur-
56 ance protection for any person included as insured under your policy if

1 [~~he or she~~] such person is injured in an accident involving another
2 motor vehicle whose owner or operator was negligent but who has either
3 no bodily injury or liability insurance, or less than the insurance you
4 carry. Sum coverage shall be equal to the level of the bodily injury
5 liability coverage of your motor vehicle liability insurance policy
6 unless you sign a waiver requesting lower coverage or declining the
7 coverage. You are urged to carefully consider this decision. We strongly
8 recommend that you protect yourself and purchase the maximum supple-
9 mental uninsured/underinsured coverage available.

10 (ii) [~~An insured's written waiver shall apply to all subsequent~~
11 ~~renewals of coverage and to all policies or endorsements which extend,~~
12 ~~change, supersede, or replace an existing policy issued to the named~~
13 ~~insured, unless changed in writing by any named insured.~~

14 ~~(iii)]~~ The selection of lower supplementary uninsured/underinsured
15 motorists coverage or the rejection of such coverage by any first named
16 insured shall be binding upon all insureds under such policy.

17 (C) Notwithstanding the provisions of subparagraph (A) of this para-
18 graph, at the insurer's option, the insured's supplementary
19 uninsured/underinsured motorists coverage limit may be required to equal
20 the insured's bodily injury liability insurance limit under the motor
21 vehicle liability insurance policy.

22 (D) An insurer may provide the coverage described in this paragraph
23 available in an umbrella or excess liability policy if the umbrella or
24 excess liability policy expressly provides such coverage.

25 § 2. Section 2 of chapter 490 of the laws of 2017 amending the insur-
26 ance law relating to limits on certain supplementary insurance, as
27 amended by chapter 181 of the laws of 2023, is amended to read as
28 follows:

29 § 2. This act shall take effect on the one hundred eightieth day after
30 it shall have become a law, and shall apply to new insurance policies
31 and contracts issued on and after such effective date and shall expire
32 and be deemed repealed June 30, [~~2026~~] 2029.

33 § 3. This act shall take effect immediately; provided, however, that
34 section one of this act shall take effect on the ninetieth day after it
35 shall have become a law and shall apply to all new insurance policies
36 and contracts issued, renewed, or amended on and after such effective
37 date; and provided further that the amendments to paragraph 2-a of
38 subsection (f) of section 3420 of the insurance law made by section one
39 of this act shall not affect the repeal of such paragraph and shall be
40 deemed repealed therewith.