

# STATE OF NEW YORK

---

3889

2025-2026 Regular Sessions

## IN ASSEMBLY

January 30, 2025

---

Introduced by M. of A. MEEKS, BRONSON, GONZALEZ-ROJAS -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to requiring a liability insurer that has received an offer to settle a claim at or within the policy limits, and refuses to do so, to be liable for any verdict in excess of such policy limits

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

1 Section 1. Subsection (a) of section 3420 of the insurance law is  
2 amended by adding a new paragraph 7 to read as follows:

3 (7) A provision that, if the insurer has received an offer to settle a  
4 claim at or within the insurer's policy limits, and the insurer refuses  
5 to do so, thereby exposing the insured to a verdict in excess of the  
6 policy limits, the insurer shall be liable for any verdict in excess of  
7 the policy limits, not limited to any other policy provisions and not  
8 subject to the limitations and conditions of paragraph two of this  
9 subsection. Such provision shall clearly state that the insurer shall  
10 have no right to seek or recover damages against the insured for such a  
11 judgment rendered against the insurer or the insured.

12 § 2. This act shall take effect immediately.

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

LBD07347-01-5