STATE OF NEW YORK

71

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

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

AN ACT to amend the insurance law, in relation to permitting certain liability policies to provide coverage for punitive damages and civil penalties

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

Section 1. The insurance law is amended by adding a new section 3423 to read as follows:

§ 3423. Punitive damages and civil penalties coverage. 1. An insurer may provide and an insured may purchase insurance against an award of punitive damages, or civil penalties, or other non-compensatory damages in any liability insurance policy except in a policy of personal lines insurance issued to a natural person for non-business purposes, or a commercial automobile liability insurance policy.

2. Coverage may provide protection for vicarious liability resulting from the conduct of another, or when assessed against a party directly for gross negligence or reckless conduct. Coverage shall not apply where liability results from action that was intended to cause the resulting harm, damage or injury. Coverage shall apply only when expressly provided for by the insurance policy.

3. This section shall apply prospectively to insurance policies with effective dates on or after the effective date of this section.

§ 2. This act shall take effect immediately.

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

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