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:

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

(D) Insurance covering loss of or damage to property as a result of an act or threatened act of violence, bullying, or stalking; a ransom or reward payment incurred as the result of an abduction or the theft of property; travel and lodging expense and lost wages incurred as the result of an act or threatened act of violence, bullying, stalking, or abduction; expense incurred to locate or identify a missing or abducted person; or other expenses to respond to [~~a violent~~] an act or threatened act of violence, bullying, stalking, or abduction, or to prevent a reoccurrence thereof, including expenses to hire a public relations firm or security firm in response to an act or threatened act of violence, bullying, stalking, or abduction; and

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

(13) "Personal injury liability insurance," means insurance against legal or contractual liability of the insured, and against loss, damage or expense incident to a claim of such liability (including the insurer's obligation to pay medical, hospital, surgical and disability benefits to injured persons, and funeral and death benefits to dependents, beneficiaries or personal representatives of persons who are killed, 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.

injury of any person, or arising out of injury to the economic interests of any person, as the result of negligence in rendering expert, fiduciary or professional service, but excluding any kind of insurance specified in paragraph fifteen**,** except insurance to protect an insured against liability for indemnification or contribution to a third party held responsible for injury to the insured's employee arising out of and in the course of employment when such insurance is written pursuant to this paragraph and not written pursuant to paragraph fifteen of this subsection.

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

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

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

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

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

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

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

(a) The superintendent may issue an excess line broker's license to any person, firm, association or corporation who or which is licensed as an insurance broker under section two thousand one hundred four of this article, or who or which is licensed as an excess line broker in the licensee's home state, provided, however, that the applicant's home state grants non-resident licenses to residents of this state on the same basis, except that reciprocity is not required in regard to the placement of liability insurance on behalf of a purchasing group or any of its members; authorizing such person, firm, association or corporation to procure, subject to the restrictions herein provided, policies of insurance from insurers that are not authorized to transact business in this state of the kind or kinds of insurance specified in paragraphs four through fourteen, sixteen, seventeen, nineteen, twenty, twenty-two, twenty-seven, twenty-eight, thirty-one, thirty-two, thirty-three, [~~and~~] thirty-four**, thirty-five, thirty-six, and thirty-seven** of subsection (a) of section one thousand one hundred thirteen of this chapter**,** and in subsection (h) of this section, provided, however, that the provisions of this section and section two thousand one hundred eighteen of this article shall not apply to ocean marine insurance and other contracts of insurance enumerated in subsections (b) and (c) of section two thousand one hundred seventeen of this article. Such license may be suspended or revoked by the superintendent whenever in the superintendent's judgment such suspension or revocation will best promote the interests of the people of this state.

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

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

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

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

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

accident and health (item (i) of (3));

non-cancellable disability (item (ii) of (3));

miscellaneous property (5);

water damage (6);

collision (12);

property damage liability (14) - non-basic as to mutual companies only;

motor vehicle and aircraft physical damage (19);

inland marine as specified in marine and inland marine (20);

marine protection and indemnity (21) - non-basic as to stock companies only;

residual value (22);

credit unemployment (24);

gap (26);

prize indemnification (27);

service contract reimbursement (28);

legal services insurance (29);

involuntary unemployment insurance (30);

salary protection insurance (31);

donor medical expense insurance (32);

excess business disability insurance (33);

parametric insurance [~~(34)~~] **(35);**

representations and warranties insurance (36);

tax interpretation insurance (37).

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

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

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

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

Group A:

7	$300,000	$150,000
8, 9, 10, 11, or 14 - for each such kind	$100,000	$ 50,000
13 or 15 - for each such kind	$500,000	$250,000
16	$900,000	$450,000
17	$400,000	$200,000
Basic additional amount required for any one or more of the above kinds of insurance	$100,000	$ 50,000
3(i), 3(ii), 6{1} or 12{2} - for each such kind	$100,000	$ 50,000
22	$2,000,000	$1,000,000
24	$400,000	$200,000
26(B)	$200,000	$100,000
26(A), 26(C) or 26(D) - for each such kind	$600,000	$300,000
27	$300,000	$150,000
28	$2,000,000	$1,000,000
30	$400,000	$200,000
31	$100,000	$ 50,000
32	$100,000	$ 50,000
33	$100,000	$ 50,000
34	$2,000,000	[~~$1,000,0000~~] **$1,000,000**
36	**$35,000,000**	**$17,500,000**
37	**$35,000,000**	**$17,500,000**

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

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

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

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

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

Group C:

3(i) or 3(ii) - for each such kind	$ 100,000	$ 100,000
22	$3,000,000	$2,000,000
24	$ 300,000	$ 300,000
26 (B)	$ 300,000	$ 200,000
26(A), 26(C) or 26(D) - for each such kind	$ 900,000	$ 600,000
28	$3,000,000	$2,000,000
6{5}, 12{6} or 14{2} - for each such kind	$ 50,000	$ 50,000
27	$ 300,000	$ 150,000
30	$ 300,000	$ 300,000
31	$ 100,000	$ 100,000
32	$ 100,000	$ 100,000
33	$ 100,000	$ 100,000
36	**$35,000,000**	**$35,000,000**
37	**$35,000,000**	**$35,000,000**

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

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

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