§ 3457. Group insurance policies for certain for hire motor vehicles. (a) For purposes of this section, the following definitions shall apply:

(1) "Certificate" or "certificate of insurance" means any policy, contract or other evidence of insurance, or endorsement thereto, issued to a group member under a for hire motor vehicle group policy.

(2) "For hire motor vehicle" or "vehicle" means a motor vehicle engaged in the business of carrying or transporting passengers for hire, having a seating capacity of not less than eight passengers, excluding the driver.

(3) "For hire motor vehicle group policy" or "group policy" means a group policy, including certificates issued to the group members, where the group policy provides insurance to the group members or both the group policyholder and the group members of the type described in paragraph twelve, thirteen, fourteen, or nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter.

(4) "Group member" means the owner of a for hire motor vehicle.

(5) "Group policyholder" means a sponsoring entity.

(6) "Owner" shall have the same meaning as set forth in section one hundred twenty-eight of the vehicle and traffic law.

(7) "Sponsoring entity" means:

(A) an association or other organization, or a trustee or trustees of a fund established, created, or maintained for the benefit of one or more associations or other organizations, where all the eligible members of the association or associations or other organization or organizations have the same profession, trade, or occupation, and the association or associations or other organization or organizations have been organized and maintained in good faith for purposes principally other than that of obtaining insurance, and have been in active existence for at least two years;

(B) an entity that owns for hire motor vehicles and leases them to drivers; or

(C) any other entity where the superintendent has determined in a regulation that the members are engaged in a common enterprise, or have an economic or social affinity or relationship, and that the issuance of the group policy would not be contrary to the best interests of the public.

(b) An authorized insurer may issue or issue for delivery in this

state a group policy to a sponsoring entity as a group policyholder only in accordance with the provisions of this section.

(c)(1) A group policy shall provide coverage in satisfaction of the financial responsibility requirements set forth in section three thousand four hundred twenty of this article, section three hundred seventy 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 for hire motor vehicle.

(2) A group policy may provide:

(A) coverage for limits higher than the minimum limits required pursuant to section three hundred seventy of the vehicle and traffic law and paragraph two of subsection (f) of section three thousand four hundred twenty of this article;

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

(C) motor vehicle physical damage coverage as described in paragraph nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter.

(3) A group policy, including certificates, shall be issued by an authorized insurer.

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

(d) The premium for the group policy, including certificates, may be paid by the group policyholder from the funds contributed wholly by the group members or jointly by the group policyholder and the group members.

(e) 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 pursuant to law.

(f)(1) The insurer shall be responsible for mailing or delivery of a certificate of insurance to each group member insured under the group policy. 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 an exclusion, under the group policy or

certificate.

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

(g) 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 insurance agent or insurance broker, in any advertisement, sign, pamphlet, circular, card, or other public announcement referring to coverage under a group policy or certificate.

(h) A 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) An insurer may cancel 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:

(A) an insurer may cancel an individual certificate if the driver's license of the group member insured under that certificate is suspended or revoked during the period of coverage, other than a suspension issued pursuant to subdivision one of section five hundred ten-b of the vehicle and traffic law or one or more administrative suspensions arising from the same incident that has or have been terminated prior to the effective date of the cancellation; and

(B) 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.

(2) 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. The insurer shall also mail or deliver written notice of cancellation of the group policy, including all certificates, 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.

(3)(A) A group policyholder may cancel a group policy, including all certificates, or any individual certificate, for any reason upon at least 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 sixty, 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) Every notice of cancellation, nonrenewal, or conditional renewal shall set forth the specific reason or reasons for cancellation, nonrenewal, or conditional renewal and the insurer shall also mail or deliver the notice to the insurance producer that procured the group policy when the group policy and any certificates are cancelled, nonrenewed, or conditionally renewed.

(6)(A) If, prior to the effective date of cancellation, nonrenewal, or conditional renewal of the group policy, or cancellation of a certificate, whether initiated by the insurer, group policyholder, or group member in regard to the group member's certificate, coverage attaches pursuant to the terms of the 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 paragraph one of this subsection.

(i) 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 this chapter.

(j) The superintendent may promulgate regulations pertaining to a for hire motor vehicle group policy, including regulations regarding payments of dividends or retrospective premium refunds, minimum number of group members, and other reasonable limitations.