*** § 3458. Group insurance for peer-to-peer car sharing programs.** (a) For the 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 peer-to-peer car sharing group policy.

(2) "Group policyholder" means an administrator.

(3) "Group policy member" means a shared vehicle owner or a shared vehicle driver participating in a program.

(4) "Peer-to-peer car sharing group policy" or "group policy" means a group policy, including certificates issued to the group members, where the group policyholder is an administrator and the policy provides insurance to the administrator and to group members:

(A) in accordance with the requirements of article forty of the general business law;

(B) of the type described in paragraph thirteen, fourteen, or nineteen of subsection (a) of section one thousand one hundred thirteen of this chapter; and

(C) in satisfaction of the financial responsibility requirements set forth in section three thousand four hundred twenty of this article, subdivision four of section three hundred eleven 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 motor vehicle.

(5) "Peer-to-peer car sharing program" or "program" shall have the same meaning as set forth in article forty of the general business law.

(6) "Peer-to-peer car sharing program administrator" or "administrator" shall have the same meaning as set forth in article forty of the general business law.

(7) "Shared vehicle driver" shall have the same meaning as set forth in article forty of the general business law.

(8) "Shared vehicle owner" shall have the same meaning as set forth in article forty of the general business law.

(9) "Peer-to-peer car sharing period" or "car sharing period" shall have the same meaning as set forth in article forty of the general business law.

(10) "Motor vehicle" shall have the same meaning as set forth in

article forty of the general business law.

(b) An insurer may issue or issue for delivery in this state a group policy to an administrator as a group policyholder only in accordance with the provisions of this section.

(c) (1) A group policy shall provide coverage for a shared vehicle owner's motor vehicle in accordance with the requirements of article forty of the general business law.

(2) A group policy may provide:

(A) coverage for limits higher than the minimum limits required by subdivision two of section nine hundred one of the general business law, with regard to financial responsibility coverage;

(B) supplemental spousal liability insurance pursuant to subsection (g) of section three thousand four hundred twenty of this chapter; 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) The coverage described in paragraphs one and two of this subsection may be provided in one group policy or in separate group policies.

(4) A group policy, including certificates, shall be issued by authorized insurers or through excess line brokers pursuant to section two thousand one hundred eighteen of this chapter.

(5) 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:

(1) wholly by the group policyholder;

(2) wholly by the group policy members; or

(3) jointly by the group policyholder and the group policy members.

(e)(1) Any policy dividend, retrospective premium credit, or retrospective premium refund in respect of premiums paid by the group policyholder may:

(A) be applied to reduce the premium contribution of the group policyholder, but not in excess of the proportion to its contribution; or

(B) be retained by the group policyholder.

(2) Any policy dividend, retrospective premium credit, or retrospective premium refund not distributed under paragraph one of this

subsection shall be:

(A) applied to reduce future premiums and, accordingly, future contributions, of existing or future group policy members, or both; or

(B) paid or refunded to those group policy members insured on the date the payment or refund is made to the group policyholder, if distributed by the group policyholder, or on the date of mailing, if distributed directly by the insurer, subject to the following requirements:

(i) the insurer shall be responsible for determining the allocation of the payment or refund to the group policy members;

(ii) if the group policyholder distributes the payment or refund, then the insurer shall be responsible for conducting an audit to ascertain that the payment or refund is actually made in accordance with the allocation procedure; and

(iii) if the group policyholder fails to make the payment or refund, then the insurer shall make the payment or refund directly or use the method provided in subparagraph (A) of this paragraph.

(3) Notwithstanding paragraphs one and two of this subsection, if a dividend accrues upon termination of coverage under a group policy, the premium for which was paid out of funds contributed by group policy members specifically for the coverage, then the dividend shall be paid or refunded by the group policyholder to the group policy members insured on the date the payment or refund is made to the group policyholder net of reasonable expenses incurred by the group policyholder in paying or refunding the dividend to such group policy members.

(4) For the purposes of this subsection, "dividend" means a return by an insurer to a group policyholder of excess premiums paid by that group policyholder in light of its favorable loss experience, including retrospective premium credits or retrospective premium refunds. The term "dividend" does not include reimbursements or fees received by a group policyholder in connection with the operation or administration of a group policy, including administrative reimbursements, fees for services provided by the group policyholder, or transactional service fees.

(f) The insurer shall treat in like manner all eligible group policy members of the same class and status.

(g) Each policy written pursuant to this section shall provide per occurrence limits of coverage for each group policy member in an amount

not less than that required by article forty of the general business law, and may provide coverage for limits higher than the minimum limits required under the law.

(h)(1) The insurer shall be responsible for the mailing or delivery of a certificate of insurance to each group policy member, provided, however, that the insurer may delegate the mailing or delivery to the administrator. The insurer also shall be responsible for mailing or delivery to each group policy member an amended certificate of insurance, or endorsement to the certificate, whenever there is a change of limits; change in type of coverage; addition, reduction, or elimination of coverage; or addition of exclusion, under the group policy or certificate.

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

(3) If coverage afforded to the group policy member is in excess of other applicable insurance coverage, then the certificate shall contain a notice advising the group policy member that if the group policy member has other insurance coverage, specified coverages under the group policy will be excess over the other insurance.

(i) 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.

(j) A group policy or certificate 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)(A) An insurer may terminate a group policy or certificate only if cancellation is based on one or more of the reasons set forth in subparagraphs (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 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.

(B) Where the premium is derived wholly from funds contributed by the group policyholder, an insurer may cancel an individual certificate only if cancellation is based on one or more of the reasons set forth in subparagraphs (B), (C), or (H) of paragraph one of subsection (c) of section three thousand four hundred twenty-six of this article.

(2)(A) 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 or to an electronic mail address at which the group policyholder has consented to receive such notice.

(i) Where all or part of the premium is derived from funds contributed by the group policy member specifically for the coverage, the insurer also shall mail or deliver written notice of cancellation of the group policy to the group policy member at the group policy member's mailing address or to an electronic mail address at which the group policy member has consented to receive such notice. Such cancellation shall not become effective until thirty days after the insurer mails or delivers the written notice to the group policy member.

(ii) Where none of the premium is derived from funds contributed by a group policy member specifically for the coverage, the group policyholder shall mail or deliver written notice to the group policy member advising the group policy member of the cancellation of the group policy and the effective date of cancellation. The group policyholder shall mail or deliver the written notice within ninety days after receiving notice of cancellation from the insurer.

(B) An insurer's cancellation of an individual certificate shall not become effective until thirty days after the insurer mails or delivers written notice of cancellation to the group policy member at the group policy member's mailing address, or to an electronic mail address at which the group policy member has consented to receive such notice, and to the group policyholder at the mailing address shown in the group policy or to an electronic mail address at which the group policyholder has consented to receive such notice.

(3)(A) A group policyholder may cancel a group policy, including all certificates, or any individual certificate, for any reason upon thirty

days' written notice to the insurer and each group policy member; and

(B) The group policyholder shall mail or deliver written notice to each affected group policy 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 policy member's mailing address, or to an electronic mail address at which the group policy member has consented to receive such notice, at least thirty days prior to the effective date of cancellation.

(4) A group policy member may cancel optional coverage upon providing notice to the group policyholder. For the purposes of this subsection, "optional coverage" means coverage other than financial responsibility coverage that an individual group policy member purchases on an optional basis. "Optional coverage" does not mean optional vehicle protection as defined in article forty of the general business law.

(5)(A) A group policy and all certificates shall be issued or renewed for a one-year policy period unless the group policy provides for a longer 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 the insurer mails or delivers to the group policyholder and all group policy members written notice of nonrenewal, or conditional renewal, at least thirty but not more than one hundred twenty days prior to the expiration date specified in the group policy or, if no date is specified, then the next anniversary date of the group policy.

(6) Where the group policyholder nonrenews the group policy, the group policyholder shall mail or deliver written notice to each group member advising the group policy member of nonrenewal of the group policy and the effective date of nonrenewal. The group policyholder shall mail or deliver written notice at least thirty days prior to the nonrenewal.

(7) Every notice of cancellation, nonrenewal, or conditional renewal from an insurer shall set forth the specific reason or reasons for cancellation, nonrenewal, or conditional renewal.

(8)(A) An insurer shall not be required under this subsection to give notice to a group policy member if the insurer has been advised by either the group policyholder or another insurer that substantially

similar coverage has been obtained from the other insurer without lapse of coverage.

(B) A group policyholder shall not be required under this subsection to give notice to a group policy member if substantially similar coverage has been obtained from another insurer without lapse of coverage.

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

(k) Any mailing or delivery to a group policy member required or permitted under this section may be made by electronic mail if affirmative verifiable consent to such method of delivery has been previously received from such group policy member.

(l) An insurer may issue a group policy to an administrator notwithstanding that it may be a condition of using or operating a motor vehicle through the administrator's program for the shared vehicle owner to participate in such group policy.

(m) 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.

(n) Coverage under a group policy, as provided for in this section, shall not be dependent on an insurer that issued a shared vehicle owner's policy of liability insurance or other motor vehicle insurance, nor shall an insurer be required to first deny a claim before the group policy shall afford coverage pursuant to this section.

* NB There are 2 § 3458's