§ 370. Indemnity bonds or insurance policies; notice of accident. 1. Every person, firm, association or corporation engaged in the business of carrying or transporting passengers for hire in any motor vehicle or motorcycle, except street cars, and motor vehicles or motorcycles owned and operated by a municipality, and except as otherwise provided in this section, which shall be operated over, upon or along any public street or highway of the state of New York shall file with the commissioner of motor vehicles for each motor vehicle or motorcycle intended to be so operated evidence, in such form as the commissioner may prescribe, of a corporate surety bond or a policy of insurance: (a) approved as to form by the superintendent of financial services in a company authorized to do business in the state, approved by the superintendent as to solvency and responsibility; or (b) where a vehicle is registered by a not-for-profit organization that is tax-exempt under section 501(c)(3) of the federal internal revenue code, a risk retention group not chartered in this state but which is registered with the superintendent of financial services under the federal liability risk retention act of 1986, comprised entirely of organizations that are tax-exempt under section 501(c)(3) of the federal internal revenue code and where the risk retention group qualifies as a charitable risk pool under section 501(n) of the federal internal revenue code, provided that the vehicle being registered does not have a seating capacity of more than fifteen passengers, is not a limousine or luxury limousine, and where such vehicles are not solely for personal use by a director, officer, authorized person, or key person, their relatives or related parties. Such surety bond or policy of insurance shall be conditioned for the payment of a minimum sum, hereinafter called minimum liability, on a judgment or judgments for damages, including damages for care and loss of services, because of bodily injury to, or death of any one person in any one accident, and subject to such minimum liability a maximum sum, hereinafter called maximum liability on a judgment or judgments for damages, including damages for care and loss of services because of bodily injury to, or death of two or more persons in any one accident and for the payment of a minimum sum, called minimum liability on all judgments for damages because of injury to or destruction of property of others in any one accident, recovered against such person, firm, association or corporation upon claims arising out of the same

transaction or transactions connected with the same subject of action, to be apportioned ratably among the judgment creditors according to the amount of their respective judgments for damage or injury caused in the operation, maintenance, use or the defective construction of such motor vehicle or motorcycle as follows:

For damages for and incident to death or injuries to persons and injury to or destruction of property: For each motorcycle and for each motor vehicle engaged in the business of carrying or transporting passengers for hire, having a seating capacity of not more than seven passengers, a bond or insurance policy with a minimum liability of twenty-five thousand dollars and a maximum liability of fifty thousand dollars for bodily injury, and a minimum liability of fifty thousand dollars and a maximum liability of one hundred thousand dollars for death and a minimum liability of ten thousand dollars for injury to or destruction of property; for each motor vehicle engaged in the business of carrying or transporting passengers for hire, having a seating capacity of not less than eight passengers, a bond or insurance policy with a combined single limit of at least one million five hundred thousand dollars for bodily injury or death to one or more persons, and because of injury to or destruction of property in any one accident; provided, further that for commuter vans that are engaged in the business of carrying or transporting passengers for hire, having a seating capacity of not less than eight passengers, a bond or insurance policy with a combined single limit of at least five hundred thousand dollars for bodily injury or death to one or more persons, and because of injury to or destruction of property in any one accident. For the purposes of this paragraph, the term "commuter van" shall have the same meaning as such term is defined in section 19-502 of the administrative code of the city of New York.

Such bond or policy of insurance shall contain a provision for a continuing liability thereunder, notwithstanding any recovery thereon. Any such bond or policy of insurance shall also contain a provision that such bond or policy of insurance shall inure to the benefit of any person legally operating the motor vehicle or motorcycle in the business of the owner and with his permission, in the same manner and under the

same conditions and to the same extent as to the owner. If at any time, in the judgment of the commissioner, such bond or policy is not sufficient for any cause the commissioner may require the owner of such motor vehicle or motorcycle to replace such bond or policy with another approved by the commissioner. A corporate surety or an insurance company evidence of whose bond or policy has been so filed, must file a notice in the office of the commissioner that upon the expiration of twenty days from such filing such surety will cease to be liable upon such bond, or in the case of such insurance company, that upon the expiration of such time such policy will be cancelled; provided, however, that where the owner of such motor vehicle or motorcycle has replaced coverage with another insurer, the expiration date shall be the date the new coverage has commenced; further provided that where such owner has had a total loss, the expiration date shall be the earlier of twenty days or when the plates have been turned in to the commissioner. The commissioner shall thereupon notify the owner of such motor vehicle or motorcycle of the filing of such notice, and unless such owner shall file a new bond or evidence of new bond or policy, as provided by this section, on or before such date as shall be specified by the commissioner, or shall place the number plates belonging to the motor vehicle or motorcycle in the custody of the commissioner or his agent within such time, to remain in such custody until a new bond or evidence of a new bond or policy is filed, the registration of such motor vehicle or motorcycle shall be revoked as of the date specified in said notice of the commissioner and no new registration shall be issued for a period of thirty days. Forthwith after his registration has been so revoked such owner shall return the number plates issued for such vehicle to the commissioner. The provisions of subdivision seven of section five hundred ten of this chapter shall apply to such revocations.

Notwithstanding any contrary provision of this chapter, any such bond, or policy of insurance shall also provide for uninsured motorists coverage in the minimal amount and in the form provided for in subsection (f) of section three thousand four hundred twenty of the insurance law.

Nothing in this subdivision shall be construed to prevent compliance

therewith by filing a combination of bonds or policies or of a bond and policy or evidence thereof if the commissioner approves and the requirements of this subdivision are otherwise met.

(c) As a condition to filing evidence of a corporate surety bond, the registrant shall pay annually in addition to any other fee prescribed by this chapter, a fee of one dollar and fifty cents for each motor vehicle registered in his name and the aggregate amount of such fees shall be applied in the reduction of the assessment levied pursuant to section three hundred seventeen of this chapter.

(d) As used in this section, a judgment or judgment for damages shall include a final arbitration award and any unpaid fees due to the arbitration forum established pursuant to section five thousand one hundred six of the insurance law.

1-a. Every person, firm, association or corporation engaged in carrying or transporting sick or injured persons in any hearse, combination hearse or ambulance operated over, upon or along a public street or highway within a town having a population of less than two thousand inhabitants, shall secure either a corporate surety bond or policy of insurance executed by a surety or insurance company authorized to do business in this state, containing like conditions to secure the payment of damages as is required to be provided for motor vehicles operated for the transportation of passengers for hire; provided, however, that any bond or policy of insurance so secured, may contain the condition that it shall secure the payment of damages only during the time or times such hearse or combination hearse or ambulance is used or operated for the transportation of sick or injured persons and shall not be operative or effective during any other time or times or for the payment of damages incurred while being operated for any other purpose. A bond or policy of insurance executed pursuant to the provisions of this subdivision need not be approved or filed notwithstanding any inconsistent provision of this section.

2. Any person, firm, association or corporation operating a motor vehicle or motorcycle as to which a bond or policy of insurance is required by this section who or which shall operate such vehicle, or cause the same to be operated, while such a bond or policy, or evidence

thereof as required by this section, is not on file with the commissioner, and in full force and effect shall be guilty of a misdemeanor.

3. A person, firm, association or corporation engaged in the business of renting or leasing rental vehicles to be operated upon the public highways for carrying passengers shall be subject to the provisions of this section in the same manner and to the same extent as if such person, firm, association or corporation were actually engaged in the business of carrying or transporting passengers for hire.

Notwithstanding the provisions of subdivision one of this section, a person, firm, association or corporation engaged in the business of renting or leasing motor vehicles, having registered in this state more than twenty-five motor vehicles subject to the provisions of this section and who qualifies as hereinafter provided, may file a certificate of self-insurance. The commissioner of motor vehicles in his discretion may, upon the application of such a person, firm, association or corporation issue a certificate of self-insurance when he is reasonably satisfied that such person is possessed and will continue to be possessed of financial ability to respond to judgments obtained against such person, arising out of the ownership, maintenance, use or operation of any such person's motor vehicle. Upon due notice and hearing, the commissioner may, in his discretion and upon reasonable grounds, cancel a certificate of self-insurance.

As a condition to the issuance of a certificate of self-insurance under this subdivision the registrant shall pay annually in addition to any other fee prescribed by this chapter, a fee of one dollar and fifty cents for each motor vehicle registered in his name and the aggregate amount of such fees shall be applied in reduction of the assessment levied pursuant to section three hundred seventeen.

As a further condition to the issuance of a certificate of self-insurance, the registrant shall pay annually in addition to any other fee prescribed by this chapter, an amount per vehicle to be determined by the Motor Vehicle Accident Indemnification Corporation

pursuant to section five thousand two hundred seven of the insurance law and the aggregate amount of such fees shall be transmitted by the commissioner to the Motor Vehicle Accident Indemnification Corporation continued pursuant to section five thousand two hundred three of the insurance law to be applied in reduction of assessments levied by said corporation pursuant to section five thousand two hundred seven of the insurance law.

4. Every person operating a motor vehicle or motorcycle as to which a bond or policy of insurance is required by this section, which is in any manner involved in an accident, shall within five days give written notice of the time and place of the accident to the surety or insurer. Failure to give notice of an accident as herein provided shall constitute a misdemeanor, but shall not affect the liability of the surety or insurer.

5. If a vehicle subject to the provisions of this section or section three hundred seventy-one of this chapter shall be operated on a public highway without having the minimum corporate surety bond or policy of liability insurance, unless the owner shall have filed an approved certificate of insurance therefor, the driver's license, privileges and registration certificate or privilege of operation within this state of the owner and operator shall be subject to revocation and suspension as provided in articles six and seven of this chapter, in the same manner as if such vehicle were a private passenger vehicle, not used to carry persons for hire or profit.

6. Notwithstanding any other provision of law, the commissioner, may, by regulation, in addition to, or in lieu of any requirements relating to notice of insurance required by this section, extend all or part of the provisions of article six of this chapter concerning insurance identification cards to vehicles subject to the provisions of this section. Furthermore, the commissioner may exempt by such regulations any type or types of vehicles subject to the provisions of this section where he deems the application of the provisions of such regulations to be inappropriate. If the commissioner promulgates any such regulations, the failure to produce an insurance identification card when requested

by any peace officer, acting pursuant to his special duties, police officer or magistrate shall be presumptive evidence of a violation of subdivision two of this section. In addition, any such regulations may require that the insurance identification card be placed in plain view of any for-hire passengers carried in such vehicle.

7. Nothing contained in this section shall prohibit any person, firm, association or corporation subject to this section from purchasing liability insurance coverage in excess of the maximum liability set forth in subdivision one of this section.

8. Notwithstanding any other provision of this article, an individual shall not be deemed to be engaged in the business of carrying or transporting passengers for hire if the individual does so solely as a transportation network company driver in accordance with article forty-four-B of this chapter.