



LEGISLATIVE POSITION

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Modernize New York's Insurance Law pertaining to the placement of risks in the excess-line market

Memorandum in support of: S.7219—by Sen. Breslin

An act to amend the Insurance Law, in relation to excess-line brokers and to modernize certain aspects of New York's Insurance Law pertaining to the placement of risks in the excess-line market..

PIANY supports this proposal to modernize certain aspects of New York's Insurance Law pertaining to the placement of risks in the excess-line market. This bill amends Insurance Law Section 2118 to reduce or waive the duty of an excess-line broker to conduct a diligent search for an authorized insurer to underwrite a risk in circumstances where an insured is likely to select an excess-line insurer from which to obtain coverage.

The Insurance Law currently grants the superintendent discretion to waive the diligent effort, but only in limited circumstances. Expanding the authority to waive this requirement will confer a degree of commercial flexibility that would enable excess-line brokers to meet New York insurance consumers' coverage needs in an efficient manner. The changes incorporated into this bill would eliminate redundancies that add expenses and unnecessary delay to the procurement of insurance from the excess-line market.

The excess-line market is an important segment of New York's insurance marketplace by providing additional insurance capacity and coverage in situations involving hard-to-place risks that the licensed market cannot or will not write.

For all of these reasons, PIANY supports this bill and urges its favorable consideration.

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