

**RE: GOVERNOR ACTS ON BILLS OF IMPORTANCE TO EXCESS LINE BROKERS**

New York Governor Andrew Cuomo signed one bill into law and vetoed another last week that will impact New York-licensed excess line brokers.

The first, [A8484-A/S6445-A](#), changes the insurance broker business entity license renewal date to June 30<sup>th</sup> of odd-numbered years. Currently, such licenses renew on October 30<sup>th</sup> of even-numbered years for property-casualty insurance broker entities, while life insurance agents and property-casualty insurance agents each renew on June 30<sup>th</sup> (the former in odd-number years and the latter in even-numbered years). All business entity licenses will now have a common renewal date. For multi-line producer entities, this change will make renewals simpler. Individual broker licenses will continue to renew based on birthdate. The statute takes effect on July 1, 2019 but the Governor and legislature have agreed to amend the new law to change the effective date to July 1, 2021. In addition, both have committed to amending the new provisions to state that the Superintendent of the Department of Financial Services may issue regulations providing that:

*“prior to July 1, 2023, the registration fees and continuing education requirements for the renewal of any license issued to a business entity pursuant to this subsection for a period that is more than twenty-four months may be increased in proportion to the length of the period of licensure.*

Therefore, excess line broker entities renewing on October 30, 2020 will need to renew their license by June 30, 2023. We expect more clarity following the enactment of the agreed upon amendments and guidance from the Department of Financial Services.

Governor Cuomo vetoed [A1683-B/S2526-B](#) (previously mentioned in a first page footnote to ELANY [Bulletin No. 2018-33](#)), legislation that would have permitted electronic delivery of property-casualty insurance notices and documents if the policyholder affirmatively agreed (opt in). The Governor’s veto message stated that while he supports the intent of the bill, “[t]his bill does not require insurers to conspicuously flag or otherwise alert the consumer that an attached document in an electronic communication may contain a cancellation notice, notice of non-renewal, or other important information. Given the very serious implications of cancellation or non-renewal of policies for insurance coverage, including potential loss of driving privileges, it is critical that the cancellation or non-renewal of automobiles and homeowners’ insurance not be exclusively made by electronic notice.”

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