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NY Gov. Signs Amended Insurance Disclosure Law

By **Ben Zigterman**

Law360 (February 25, 2022, 8:13 PM EST) -- Days before certain insurance disclosure requirements were set to begin in New York under a new law, Gov. Kathy Hochul signed amendments that addressed some insurance industry concerns.

The Comprehensive Insurance Disclosure Act will no longer apply to existing lawsuits, and the amendments lengthen the deadlines for disclosures on new suits from 60 to 90 days, according to the amended bill's text.

Hochul **signed** CIDA late last year, and after **outcry** from the insurance industry, the New York Legislature approved the amendments Dec. 17.

The governor signed the amendments into law Thursday, a spokesperson said, before the original 60-day deadline would have kicked in March 1 for new and existing lawsuits.

The new law now applies only to new suits, requiring defendants to provide certain insurance coverage information to plaintiffs within 90 days after answering a suit, including relevant policies and available limits, according to its text.

"The chapter amendment signed this week further strengthens the law's disclosure provisions and ensures injured New Yorkers get the complete and timely coverage they deserve," New York State Trial Lawyers Association President Halina Radchenko said in a statement. "NYSTLA was proud to be a leading advocate for this legislation."

In addition to lengthening the deadline and not applying to existing suits, the amendments to CIDA make clear that insurance applications and insurance adjuster phone numbers aren't required to be handed over, according to the amended bill's text, and defendants no longer have to share lawsuits and attorney fees that may have reduced the total coverage limits.

While calling the amendments' passage "critical," the New York Insurance Association said CIDA is a "solution in search of a problem."

"NYIA was opposed to this legislation, but what became critical was the amendment being signed in advance of March 1 to ensure the law is only applicable to prospective cases," NYIA President Ellen Melchionni said in a statement. "We are not aware of any evidence indicating that there is significant non-compliance with previous disclosure requirements. The real impact of the legislation is increased compliance costs that will ultimately be paid by policyholders."

Dan Kohane, an attorney with Hurwitz & Fine PC who represents insurance companies, said the amendments "take some of the sting out of the bill," but still took issue with the law, including a provision requiring that the defendant and his or her attorney both certify that the insurance disclosures are accurate.

"If the Legislature wanted insurance companies to advise litigants of how much was left on an insurance policy, all they had to do was say so. Instead, they're requiring certifications by policyholders who have little idea in most cases how much insurance they have and how much is left on a policy," he told Law360. "We don't believe that the statute accomplishes much other than making a lot of work unnecessarily, but the Legislature has spoken."

--Editing by Nick Petruncio.

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