

**NEW YORK STATE
INSURANCE DEPARTMENT**

**SECOND AMENDMENT TO REGULATION 162
11 NYCRR 262**

LEGAL SERVICES INSURANCE

I, Howard Mills, Superintendent of Insurance of the State of New York, pursuant to the authority granted by Sections 201, 301, 1113(a)(29), 1116 and Articles 23 and 63 of the Insurance Law and Chapter 65 of the Laws of 1998, do hereby promulgate the following second amendment to Part 262 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulation 162), to take effect upon publication in the State Register to read as follows:

(New Matter is Underlined; Matter in Brackets is Deleted)

Section 262.10 is amended to read as follows:

Section 262.10 Minimum provisions for legal services insurance written as part of a policy of liability insurance.

Legal services insurance that is written as part of a policy of liability insurance:

(a) [m]May be written on a group basis, only if the underlying liability insurance policy is written on a group basis in accordance with Part 153 of this Title (Regulation 135);

(b) [s]Shall be subject to the filing and approval requirements of Article 23 of the Insurance Law, [and shall not] except that such coverage may qualify as a special risk coverage pursuant to Part 16 of this Title (Regulation 86) only if the coverage of the policy of liability insurance of which it is a part also qualifies as a special risk coverage pursuant to that Part, and the policy is written on such basis;

(c) [s]Shall be subject to Section 3102 of the Insurance Law if the underlying liability insurance policy is subject to that section;

(d) [s]Shall be written on a "pay on behalf" basis, except for a policy of directors and officers insurance, which may be written on an "indemnification" basis; and

(e) [s]Shall provide that nothing in the policy shall be construed to prevent an insured from making a complaint to the appropriate Appellate Division or other body designated by the Appellate Division to investigate complaints in accordance with Judiciary Law Section 90, or to the appropriate disciplinary body in the state where the legal service is being provided.

I, Howard Mills, Superintendent of Insurance of the State of New York, do hereby certify that the foregoing is the Second Amendment to Part 262 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulation 162), entitled "Legal Services Insurance", promulgated by me on December 20, 2006, pursuant to the authority granted by Sections 201, 301, 1113(a)(29) 1116 and Articles 23 and 63 of the Insurance Law and Chapter 65 of the Laws of 1998, to take effect upon publication in the State Register.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed amendment was published in the State Register on October 25, 2006. No other publication or prior notice is required by statute.

Howard Mills
Superintendent of Insurance

December 20, 2006