

4951

2011-2012 Regular Sessions

I N S E N A T E

May 2, 2011

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to mortgage guaranty insurance and reinsurance and policyholders' surplus

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraph 1 of subsection (b) of section 6502 of the insurance law, as amended by chapter 517 of the laws of 1989, is amended to
2 read as follows:
3 (1) EXCEPT AS MAY BE OTHERWISE PERMITTED BY THE SUPERINTENDENT UPON A
4 FINDING THAT IT WOULD NOT BE PREJUDICIAL TO THE INTERESTS OF THE PEOPLE
5 OF THIS STATE, have outstanding a total liability under its aggregate
6 insurance policies exceeding twenty-five times its policyholders'
7 surplus, computed on the basis of the company's liability under its
8 election as provided in subsection (c) of section six thousand five
9 hundred three of this article. Total liability shall be calculated net
10 of applicable reinsurance. [No] SUBJECT TO SUCH EXCEPTION PERMITTED BY
11 THE SUPERINTENDENT, NO company which has outstanding total liability
12 exceeding twenty-five times its policyholders' surplus shall transact
13 new business until its total liability no longer exceeds twenty-five
14 times its policyholders' surplus. THE TERM OF EACH EXCEPTION PERMITTED
15 BY THE SUPERINTENDENT FOR A MORTGAGE INSURER SHALL NOT EXCEED TWO YEARS
16 AND CONSECUTIVE EXCEPTIONS PERMITTED FOR A MORTGAGE INSURER WITHOUT AN
17 INTERVENING ONE-YEAR PERIOD OF COMPLIANCE WITH THE LIABILITY LIMIT IN
18 THIS SUBSECTION SHALL NOT EXCEED A TOTAL OF FOUR YEARS;
19 S 2. This act shall take effect immediately.
20

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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