

STATE OF NEW YORK

6439--A

2017-2018 Regular Sessions

IN SENATE

May 19, 2017

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to principle based reserves

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 4217 of the insurance law is amended by adding a
2 new subsection (g) to read as follows:

3 (g) (1) This subsection shall apply only to individual and group life
4 insurance policies and annuity contracts issued on or after January
5 first, two thousand eighteen.

6 (2) For purposes of this subsection, "valuation manual" means the
7 valuation manual adopted by the National Association of Insurance
8 Commissioners on December second, two thousand twelve, as subsequently
9 amended on June eighth, two thousand fifteen, November twenty-second,
10 two thousand fifteen, April sixth, two thousand sixteen, and August
11 twenty-ninth, two thousand sixteen.

12 (3) Notwithstanding subsection (c) of this section and section four
13 thousand two hundred eighteen of this article, the minimum reserve
14 requirements and the minimum standard for the valuation of all individ-
15 ual and group life insurance policies and annuity contracts issued on or
16 after January first, two thousand eighteen shall be the superintendent's
17 principle based valuation method defined in paragraph four of this
18 subsection and all regulations promulgated thereunder. Nothing
19 contained within this subsection shall lessen the superintendent's
20 powers under any other provisions of this chapter or the financial
21 services law, including, without limitation, the superintendent's powers
22 and obligations to ensure the solvency and fiscal health of insurers and
23 to protect policyholders.

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

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1 (4) (A) The superintendent's principle based valuation method shall be
2 the reserve standards, valuation methods, assumptions, and related
3 requirements set forth in regulations to be promulgated by the super-
4 intendent.

5 (B) Subject to subparagraphs (C) and (D) of this paragraph, the regu-
6 lations establishing the superintendent's principle based valuation
7 method shall utilize the reserve standards, valuation methods, and
8 related requirements in the valuation manual.

9 (C) The regulations establishing the superintendent's principle based
10 valuation method may deviate from any of the reserve standards, valu-
11 ation methods, assumptions, and related requirements in the valuation
12 manual if the superintendent determines that an alternative reserve
13 standard, valuation method, assumption, and/or related requirement is
14 reasonably necessary to protect policyholders or the people of this
15 state.

16 (D) The regulations establishing the superintendent's principle based
17 valuation method may deviate from the reserve standards, valuation meth-
18 ods, and related requirements in the valuation manual if the superinten-
19 dent determines that an amendment to the valuation manual adopted by the
20 National Association of Insurance Commissioners after August twenty-
21 ninth, two thousand sixteen, is reasonably necessary to protect policy-
22 holders or the people of this state and should be incorporated into the
23 superintendent's principle based valuation method.

24 § 2. This act shall take effect immediately.