

STATE OF NEW YORK

900

2023-2024 Regular Sessions

IN ASSEMBLY

January 11, 2023

Introduced by M. of A. McDONALD -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to mortgage guaranty insurance

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

- 1 Section 1. Paragraph 2 of subsection (a) of section 6502 of the insurance law is amended to read as follows:
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3 (2) it establishes a contingency reserve out of net premiums (gross
4 premiums less premiums returned to policyholders) remaining after establishing the unearned premium reserve. The company shall contribute to
5 the contingency reserve an amount equal to fifty percent of such remaining earned premiums. Contributions to the contingency reserve made
6 during each calendar year shall be maintained for a period of one
7 hundred and twenty months, except that withdrawals may be made by the
8 company with the prior approval of the superintendent in any year in
9 which the actual incurred losses exceed thirty-five percent of the
10 corresponding earned premiums or as otherwise permitted by the superintendent. The unearned premium reserve shall be computed as required
11 by section one thousand three hundred five of this chapter except that
12 on policies covering a risk period of more than one year it shall be
13 computed in accordance with standards promulgated by the superintendent;
14 and
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18 § 2. This act shall take effect immediately.

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

LBD02506-01-3