S T A T E O F N E W Y O R K

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2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

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

AN ACT to amend the insurance law and the abandoned property law, in relation to transferring the liability for Metropolitan Life Insurance Company (MetLife) claim-over payments to the abandoned property fund

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

Section 1. Subsection (c) of section 7435 of the insurance law is relettered subsection (d) and a new subsection (c) is added to read as follows:

(C) EFFECTIVE JANUARY FIRST, TWO THOUSAND TEN, THE LIABILITY FOR CLAIM-OVER PAYMENTS DUE AND PAYABLE TO FORMER OWNERS OF SINGLE PREMIUM DEFERRED ANNUITIES ISSUED BY THE METROPOLITAN LIFE INSURANCE COMPANY (METLIFE) PURSUANT TO THE PLAN FOR REHABILITATION FOR EXECUTIVE LIFE INSURANCE COMPANY OF NEW YORK (ELNY), ISSUED MARCH TWENTY-SIXTH, NINETEEN HUNDRED NINETY-TWO, SHALL BE DEEMED TRANSFERRED TO THE ABANDONED PROPERTY FUND, AS DEFINED IN SUBDIVISION (A) OF SECTION ONE HUNDRED THREE OF THE ABANDONED PROPERTY LAW, AND ADMINISTERED BY THE STATE COMPTROLLER. PRIOR TO SUCH DATE THE SUPERINTENDENT SHALL PROVIDE TO THE STATE COMPTROLLER A FULL ACCOUNT OF ALL CLAIM-OVER PAYMENTS AND ACCRUED INTEREST OWED AND THE NAMES, ADDRESSES AND ALL OTHER INFORMATION NECESSARY FOR THE COMPTROLLER TO EFFECTUATE PAYMENT OF SUCH CLAIM-OVER PAYMENTS TO SUCH FORMER OWNERS OR THEIR ESTATES, AS THE CASE MAY BE. THE SUPERINTENDENT SHALL NOTIFY ALL AFFECTED CLAIMANTS THAT, EFFECTIVE JANUARY FIRST, TWO THOUSAND TEN, THEY MAY MAKE APPLICATION TO THE OFFICE OF UNCLAIMED FUNDS FOR AMOUNTS DUE AND OWING PURSUANT TO SUCH PLAN FOR REHABILITATION.

S 2. Subsection (d) of section 7435 of the insurance law, as relettered by section one of this act, is amended by adding a new paragraph 4 to read as follows:

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

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(4) "CLAIM-OVER PAYMENTS" MEANS THE AMOUNT OWED, INCLUDING ACCRUED INTEREST, AS OF JANUARY FIRST, TWO THOUSAND TEN PURSUANT TO THE PLAN FOR REHABILITATION OF ELNY, ISSUED MARCH TWENTY-SIXTH, NINETEEN HUNDRED NINETY-TWO, TO FORMER ELNY POLICYHOLDERS WHO ELECTED TO EXCHANGE A SINGLE PREMIUM DEFERRED ANNUITY CONTRACT ISSUED BY SUCH COMPANY FOR A SINGLE PREMIUM DEFERRED ANNUITY CONTRACT ISSUED BY METLIFE AND, SUBSEQUENT TO SUCH EXCHANGE, FULLY SURRENDERED THEIR METLIFE SINGLE PREMIUM DEFERRED ANNUITY BEFORE THE APPLICABLE SURRENDER CHARGES DECREASED TO ZERO, PURSUANT TO THE TERMS OF THE REHABILITATION PLAN.

S 3. The abandoned property law is amended by adding a new section 1423 to read as follows:

S 1423. METROPOLITAN LIFE INSURANCE COMPANY (METLIFE) CLAIM-OVER PAYMENTS. 1. UPON PRESENTATION OF A VALID CLAIM SUBSEQUENT TO JANUARY FIRST, TWO THOUSAND NINE BY A PERSON OR THE ESTATE OF A PERSON ENTITLED TO A METLIFE CLAIM-OVER PAYMENT, AS DEFINED IN PARAGRAPH FOUR OF SUBSECTION (D) OF SECTION SEVEN THOUSAND FOUR HUNDRED THIRTY-FIVE OF THE INSURANCE LAW, THE COMPTROLLER SHALL FORTHWITH PAY SUCH CLAIM PURSUANT TO SECTION ONE THOUSAND FOUR HUNDRED SEVEN OF THIS ARTICLE.

2. UPON THE EARLIER OF (A) THE LIQUIDATION OF THE EXECUTIVE LIFE OF NEW YORK (ELNY) ESTATE AND A DETERMINATION BY THE REHABILITATOR THAT A PAYOUT OF NINETY-FIVE PERCENT OR NINETY-SEVEN AND ONE-HALF PERCENT, AS APPROPRIATE AND DETERMINED PURSUANT TO THE PLAN FOR REHABILITATION FOR ELNY ISSUED MARCH TWENTY-SIXTH, NINETEEN HUNDRED NINETY-TWO, OF OBLIGATIONS TO ELNY SINGLE PREMIUM IMMEDIATE ANNUITY BENEFICIARIES COULD HAVE BEEN FUNDED WITH CERTAINTY OR, (B) THE REHABILITATOR OF THE ESTATE OF ELNY HAS DETERMINED THAT, DUE TO ELNY'S OWNERSHIP OF SUFFICIENT ASSETS HAVING APPROPRIATE QUALITY AND LIQUIDITY, CLAIM-OVER PAYMENTS COULD HAVE BEEN MADE TO THE FORMER OWNERS OR THE ESTATES OF FORMER OWNERS OF METLIFE SINGLE PREMIUM DEFERRED ANNUITIES PURSUANT TO SUCH PLAN FOR REHABILITATION, SUCH CLAIM-OVER PAYMENTS THAT WOULD HAVE BEEN MADE TO FORMER OWNERS OF METLIFE SINGLE PREMIUM DEFERRED ANNUITIES PURSUANT TO SUCH REHABILITATION PLAN SHALL BE MADE TO THE ABANDONED PROPERTY FUND. SUCH CLAIM-OVER PAYMENTS SHALL BE DEEMED AN ASSET OF THE ABANDONED PROPERTY FUND.

S 4. This act shall take effect immediately.