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

5300

2009-2010 Regular Sessions

I N A S S E M B L Y

February 11, 2009

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

AN ACT to amend the insurance law, in relation to the valuation of certain policies and contracts

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

Section 1. Subparagraph (D) of paragraph 6 of subsection (c) of section 4217 of the insurance law is relettered subparagraph (E) and a new subparagraph (D) is added to read as follows:

(D) RESERVES ACCORDING TO THE SUPERINTENDENT'S RESERVE VALUATION METHOD FOR INDIVIDUAL LIFE INSURANCE POLICIES SUBJECT TO SUBSECTION (B) OF SECTION FOUR THOUSAND TWO HUNDRED THIRTY-TWO OF THIS ARTICLE THAT ARE ISSUED AFTER DECEMBER THIRTY-FIRST, TWO THOUSAND EIGHT AND THAT PROVIDE FOR DEATH BENEFITS THAT ARE GUARANTEED TO REMAIN IN EFFECT IF SPECIFIED CONDITIONS, AS DEFINED IN THE LIFE INSURANCE POLICY, ARE MET BY THE POLICY OWNER, THE VALUE OF THE GUARANTEE SHALL BE CALCULATED BY A METHOD CONSISTENT WITH THE PRINCIPLES OF THIS SECTION AND THE USE OF LAPSE RATES NOT TO EXCEED TWO PERCENT PER ANNUM.

S 2. This act shall take effect immediately.

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

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