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

8463

2009-2010 Regular Sessions

I N A S S E M B L Y

May 21, 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 establishing risk-based capital requirements applicable to fraternal benefit societies and to repeal paragraph 2 of subsection (b) of section 4530 of such laws relating thereto

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

Section 1. Short title. This act shall be known and may be cited as the "fraternal benefit society risk-based capital act of 2009".

S 2. Subsection (c) of section 4525 of the insurance law, as amended by chapter 22 of the laws of 2008, is amended to read as follows:

(c) section one thousand one hundred one, subsections (a) and (g) of section one thousand one hundred two, sections one thousand one hundred three, one thousand one hundred five, one thousand one hundred six, one thousand one hundred eight, one thousand one hundred twelve, paragraphs one, two and three of subsection (a) of section one thousand one hundred thirteen, sections one thousand two hundred five, one thousand two hundred twelve [and], one thousand two hundred seventeen, AND ONE THOUSAND THREE HUNDRED TWENTY-TWO, subsections (a), (b), (d) and (e) of section two thousand one hundred one, subsection (a) of section two thousand one hundred two, subsection (a) and subsections (c) through (m) of section two thousand one hundred three, subsections (a) through (e) of section two thousand one hundred nine, subsections (a), (b) and (d) through (f) of section two thousand one hundred ten, sections two thousand one hundred twelve, two thousand one hundred fourteen and two thousand one hundred sixteen, subsections (a), (b), (c) and (e) through (h) of section two thousand one hundred seventeen, subsections (a) and (c) of section two thousand one hundred twenty, sections two thousand one hundred twenty-two, two thousand one hundred twenty-three, and two thousand one hundred twenty-four, subsection (b) of section two thousand

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

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three hundred seven, sections three thousand one hundred three, three thousand one hundred five, three thousand one hundred six, three thousand one hundred ten, three thousand two hundred one, three thousand two hundred two, three thousand two hundred five, three thousand two hundred seven, three thousand two hundred nine through three thousand two hundred twelve, three thousand two hundred fourteen, four thousand two hundred thirteen, four thousand two hundred twenty-six, four thousand two hundred forty-one, seven thousand three hundred one, seven thousand three hundred three and seven thousand three hundred four; and

S 3. Subsection (b) of section 4527 of the insurance law, as added by chapter 446 of the laws of 1996, is amended to read as follows:

(b) In addition to other requirements of this article, an authorized fraternal benefit society obligating itself for the payment of benefits described in this section shall [meet the following requirements:

(1) The society shall be subject to the provisions of section one thousand three hundred twenty-two of this chapter establishing risk-based capital (RBC) requirements for life insurance and accident and health insurance companies, provided the superintendent shall by rule establish a separate set of RBC instructions and a separate RBC formula for fraternal benefit societies that adjusts the instructions and formula otherwise determined under paragraph two of subsection (c) of section one thousand three hundred twenty-two of this chapter for the special structural and organizational characteristics of a fraternal benefit society.

(2) Notwithstanding], NOTWITHSTANDING section four thousand five hundred twenty-five of this article or subsection (g) of section two thousand one hundred three and subsection (b) of section two thousand one hundred thirty-two of this chapter, [the society shall] only retain as agents persons who are licensed pursuant to section two thousand one hundred three of this chapter and who:

[(A)] (1) take the personal written examination required by subsection (f) of section two thousand one hundred three of this chapter if seeking the original issuance of a license under section two thousand one hundred three of this chapter on or after January first, nineteen hundred ninety-seven; and

[(B)] (2) comply with the provisions of section two thousand one hundred thirty-two of this chapter regarding agents continuing education for the biennial licensing period beginning on or after January first, nineteen hundred ninety-eight.

S 4. Paragraph 2 of subsection (b) of section 4530 of the insurance law is REPEALED and paragraphs 3 and 4 are renumbered paragraphs 2 and 3.

S 5. This act shall take effect immediately.