

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

6270--A

2009-2010 Regular Sessions

I N S E N A T E

November 5, 2009

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- recommitted to the Committee on Insurance in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to mortgage guaranty insurance and reinsurance and policyholders' surplus

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

1 Section 1. Paragraph 1 of subsection (b) of section 6502 of the insur-
2 ance law, as amended by chapter 517 of the laws of 1989, is amended to
3 read as follows:
4 (1) EXCEPT AS MAY BE OTHERWISE PERMITTED BY THE SUPERINTENDENT UPON A
5 FINDING THAT IT WOULD NOT BE PREJUDICIAL TO THE INTERESTS OF THE PEOPLE
6 OF THIS STATE, have outstanding a total liability under its aggregate
7 insurance policies exceeding twenty-five times its policyholders'
8 surplus, computed on the basis of the company's liability under its
9 election as provided in subsection (c) of section six thousand five
10 hundred three of this article. Total liability shall be calculated net
11 of applicable reinsurance. [No] SUBJECT TO SUCH EXCEPTION PERMITTED BY
12 THE SUPERINTENDENT, NO company which has outstanding total liability
13 exceeding twenty-five times its policyholders' surplus shall transact
14 new business until its total liability no longer exceeds twenty-five
15 times its policyholders' surplus. THE TERM OF EACH EXCEPTION PERMITTED
16 BY THE SUPERINTENDENT FOR A MORTGAGE INSURER SHALL NOT EXCEED TWO YEARS
17 AND CONSECUTIVE EXCEPTIONS PERMITTED FOR A MORTGAGE INSURER WITHOUT AN
18 INTERVENING ONE-YEAR PERIOD OF COMPLIANCE WITH THE LIABILITY LIMIT IN
19 THIS SUBSECTION SHALL NOT EXCEED A TOTAL OF FOUR YEARS;
20 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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