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

6088

2009-2010 Regular Sessions

I N A S S E M B L Y

February 25, 2009

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

AN ACT to amend the insurance law, in relation to standards for sale of annuity contracts to seniors

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

Section 1. Paragraph 2 of subsection (d) of section 2132 of the insurance law, as added by chapter 656 of the laws of 1992, is amended to read as follows:

(2) The number of credit hours assigned to each of the courses or programs of instruction set forth in paragraph one of this subsection shall be determined by the superintendent; PROVIDED THAT THE SUPERINTENDENT SHALL REQUIRE THAT A LICENSEE SHALL COMPLETE A MINIMUM OF THREE HOURS ANNUALLY ON THE SUBJECT OF SUITABILITY IN ANNUITY AND LIFE INSURANCE TRANSACTIONS.

S 2. The insurance law is amended by adding two new sections 2137 and 2138 to read as follows:

S 2137. CERTAIN PROHIBITED PRACTICES. (A) NO AGENT OR BROKER OF AN INSURER IN THIS STATE SHALL WILLFULLY SUBMIT TO AN INSURER ON BEHALF OF A CONSUMER AN INSURANCE APPLICATION OR POLICY-RELATED DOCUMENT BEARING A FALSE OR FRAUDULENT SIGNATURE.

(B)(1) AN AGENT OR BROKER MAY NOT, IN ANY SALES PRESENTATION OR SOLICITATION FOR INSURANCE, USE A DESIGNATION OR TITLE IN SUCH A WAY AS TO FALSELY IMPLY THAT THE LICENSEE:

(A) POSSESSES SPECIAL FINANCIAL KNOWLEDGE OR HAS OBTAINED SPECIALIZED FINANCIAL TRAINING; OR

(B) IS CERTIFIED OR QUALIFIED TO PROVIDE SPECIALIZED FINANCIAL ADVICE TO SENIOR CITIZENS.

(2) A LICENSEE MAY NOT USE TERMS SUCH AS "FINANCIAL ADVISOR" IN SUCH A WAY AS TO FALSELY IMPLY THAT THE LICENSEE IS LICENSED OR QUALIFIED TO

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

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DISCUSS, SELL, OR RECOMMEND FINANCIAL PRODUCTS OTHER THAN INSURANCE PRODUCTS.

(3) A LICENSEE MAY NOT, IN ANY SALES PRESENTATION OR SOLICITATION FOR INSURANCE, FALSELY IMPLY THAT HE OR SHE IS QUALIFIED TO DISCUSS, RECOMMEND, OR SELL SECURITIES OR OTHER INVESTMENT PRODUCTS IN ADDITION TO INSURANCE PRODUCTS.

(4) A LICENSEE WHO ALSO HOLDS A DESIGNATION AS A CERTIFIED FINANCIAL PLANNER (CFP), CHARTERED LIFE UNDERWRITER (CLU), CHARTERED FINANCIAL CONSULTANT (CHFC), LIFE UNDERWRITER TRAINING COUNCIL FELLOW (LUTC), OR THE APPROPRIATE LICENSE TO SELL SECURITIES FROM THE FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA) MAY INFORM THE CUSTOMER OF THOSE LICENSES OR DESIGNATIONS AND MAKE RECOMMENDATIONS IN ACCORDANCE WITH THOSE LICENSES OR DESIGNATIONS, AND IN SO DOING DOES NOT VIOLATE THIS PARAGRAPH.

(C) A PERSON WHO VIOLATES ANY PROVISION OF THIS SECTION SHALL BE SUBJECT TO A FINE OF NOT GREATER THAN FIVE THOUSAND DOLLARS FOR EACH NONWILLFUL VIOLATION AND A FINE OF NOT GREATER THAN FORTY THOUSAND DOLLARS FOR EACH WILLFUL VIOLATION.

(D) FINES UNDER THIS SECTION MAY NOT EXCEED AN AGGREGATE AMOUNT OF FIFTY THOUSAND DOLLARS FOR ALL NONWILLFUL VIOLATIONS ARISING OUT OF THE SAME ACTION OR AN AGGREGATE AMOUNT OF TWO HUNDRED FIFTY THOUSAND DOLLARS FOR ALL WILLFUL VIOLATIONS ARISING OUT OF THE SAME ACTION.

S 2138. ANNUITY INVESTMENTS BY SENIORS. (A) (1) THE PROVISIONS OF THIS SECTION SET FORTH STANDARDS AND PROCEDURES FOR MAKING RECOMMENDATIONS TO SENIOR CONSUMERS WHICH RESULT IN A TRANSACTION INVOLVING ANNUITY PRODUCTS TO APPROPRIATELY ADDRESS THE INSURANCE NEEDS AND FINANCIAL OBJECTIVES OF SENIOR CONSUMERS AT THE TIME OF THE TRANSACTION.

(2) A VIOLATION OF THIS SECTION DOES NOT CREATE OR IMPLY A PRIVATE CAUSE OF ACTION.

(3) NOTHING IN THIS SECTION SHALL SUBJECT AN INSURER TO CRIMINAL OR CIVIL LIABILITY FOR THE ACTS OF INDEPENDENT INDIVIDUALS NOT AFFILIATED WITH THAT INSURER FOR SELLING ITS PRODUCTS, WHEN SUCH SALES ARE MADE IN A WAY NOT AUTHORIZED BY THE INSURER.

(B) THIS SECTION APPLIES TO ANY RECOMMENDATION TO PURCHASE OR EXCHANGE AN ANNUITY MADE TO A SENIOR CONSUMER BY AN INSURANCE AGENT, OR AN INSURER WHERE NO AGENT IS INVOLVED, AND WHICH RESULTS IN THE PURCHASE OR EXCHANGE RECOMMENDED.

(C) FOR PURPOSES OF THIS SECTION, THE TERM:

(1) "ANNUITY CONTRACT" MEANS A FIXED ANNUITY, EQUITY INDEXED ANNUITY, FIXED EQUITY INDEXED ANNUITY, OR VARIABLE ANNUITY THAT IS INDIVIDUALLY SOLICITED, WHETHER THE PRODUCT IS CLASSIFIED AS AN INDIVIDUAL ANNUITY OR A GROUP ANNUITY.

(2) "RECOMMENDATION" MEANS ADVICE PROVIDED BY AN INSURANCE AGENT, OR AN INSURER IF NO INSURANCE AGENT IS INVOLVED, TO AN INDIVIDUAL SENIOR CONSUMER WHICH RESULTS IN A PURCHASE OR EXCHANGE OF AN ANNUITY IN ACCORDANCE WITH THAT ADVICE.

(3) "SENIOR CONSUMER" MEANS A PERSON SIXTY-FIVE YEARS OF AGE OR OLDER. IN THE EVENT OF A JOINT PURCHASE BY MORE THAN ONE PARTY, A PURCHASER IS CONSIDERED TO BE A SENIOR CONSUMER IF ANY OF THE PARTIES IS AGE SIXTY-FIVE OR OLDER.

(D) (1) IN RECOMMENDING TO A SENIOR CONSUMER THE PURCHASE OR EXCHANGE OF AN ANNUITY THAT RESULTS IN ANOTHER INSURANCE TRANSACTION OR SERIES OF INSURANCE TRANSACTIONS, AN INSURANCE AGENT, OR AN INSURER IF NO INSURANCE AGENT IS INVOLVED, MUST HAVE AN OBJECTIVELY REASONABLE BASIS FOR BELIEVING THAT THE RECOMMENDATION IS SUITABLE FOR THE SENIOR CONSUMER BASED ON THE FACTS DISCLOSED BY THE SENIOR CONSUMER AS TO HIS OR HER

INVESTMENTS AND OTHER INSURANCE PRODUCTS AND AS TO HIS OR HER FINANCIAL SITUATION AND NEEDS.

(2) BEFORE EXECUTING A PURCHASE OR EXCHANGE OF AN ANNUITY RESULTING FROM A RECOMMENDATION TO A SENIOR CONSUMER, AN INSURANCE AGENT, OR AN INSURER IF NO INSURANCE AGENT IS INVOLVED, SHALL MAKE REASONABLE EFFORTS TO OBTAIN INFORMATION CONCERNING THE SUITABILITY OF THE RECOMMENDATION. THE INFORMATION SHALL INCLUDE, AT A MINIMUM:

(A) PERSONAL INFORMATION, INCLUDING THE AGE AND SEX OF THE PARTIES TO THE ANNUITY AND THE AGES AND NUMBER OF ANY DEPENDENTS;

(B) TAX STATUS OF THE CONSUMER;

(C) INVESTMENT OBJECTIVES OF THE CONSUMER;

(D) THE SOURCE OF THE FUNDS TO BE USED TO PURCHASE THE ANNUITY;

(E) THE APPLICANT'S ANNUAL INCOME;

(F) INTENDED USE OF THE ANNUITY;

(G) THE APPLICANT'S EXISTING ASSETS, INCLUDING INVESTMENT HOLDINGS;

(H) THE APPLICANT'S LIQUID NET WORTH AND LIQUIDITY NEEDS;

(I) THE APPLICANT'S FINANCIAL SITUATION AND NEEDS;

(J) THE APPLICANT'S RISK TOLERANCE; AND

(K) SUCH OTHER INFORMATION USED OR CONSIDERED TO BE RELEVANT BY THE INSURANCE AGENT OR INSURER IN MAKING RECOMMENDATIONS TO THE CONSUMER REGARDING THE PURCHASE OR EXCHANGE OF AN ANNUITY CONTRACT.

SUCH INFORMATION SHALL BE COLLECTED ON A FORM DEVELOPED BY THE SUPERINTENDENT AND COMPLETED AND SIGNED BY THE APPLICANT AND AGENT. QUESTIONS REQUESTING THIS INFORMATION MUST BE PRESENTED IN AT LEAST 12-POINT TYPE AND BE SUFFICIENTLY CLEAR SO AS TO BE READILY UNDERSTANDABLE BY BOTH THE AGENT AND THE CONSUMER. A TRUE AND CORRECT EXECUTED COPY OF THE FORM SHALL BE PROVIDED BY THE AGENT TO THE INSURER, OR A THIRD PARTY THAT HAS CONTRACTED WITH SUCH INSURER WITHIN TEN DAYS AFTER EXECUTION OF THE FORM, AND SHALL BE PROVIDED TO THE CONSUMER NO LATER THAN THE DATE OF DELIVERY OF THE CONTRACT OR CONTRACTS.

(3)(A) EXCEPT AS PROVIDED UNDER SUBPARAGRAPH (B) OF THIS PARAGRAPH, AN INSURANCE AGENT, OR AN INSURER IF NO INSURANCE AGENT IS INVOLVED, HAS NO OBLIGATION TO A SENIOR CONSUMER UNDER THIS SECTION RELATED TO ANY RECOMMENDATION IF THE SENIOR CONSUMER:

(I) REFUSES TO PROVIDED RELEVANT INFORMATION REQUESTED BY THE INSURER OR INSURANCE AGENT;

(II) DECIDES TO ENTER INTO AN INSURANCE TRANSACTION THAT IS NOT BASED ON A RECOMMENDATION OF THE INSURER OR INSURANCE AGENT; OR

(III) FAILS TO PROVIDE COMPLETE OR ACCURATE INFORMATION.

(B) AN INSURER OR INSURANCE AGENT'S RECOMMENDATION SHALL BE OBJECTIVELY REASONABLE UNDER ALL THE CIRCUMSTANCES ACTUALLY KNOWN TO THE INSURER OR INSURANCE AGENT AT THE TIME OF THE RECOMMENDATION.

(C) IF THE CONSUMER REFUSES TO PROVIDE RELEVANT INFORMATION REQUESTED BY THE INSURANCE AGENT OR INSURER, BEFORE THE EXECUTION OF THE SALE THE INSURANCE AGENT OR INSURER SHALL OBTAIN A SIGNED VERIFICATION FROM THE SENIOR CONSUMER ON A FORM ADOPTED BY RULE BY THE DEPARTMENT THAT HE OR SHE REFUSES TO PROVIDE THE REQUESTED INFORMATION AND MAY BE LIMITING PROTECTIONS AFFORDED BY THIS SECTION REGARDING THE SUITABILITY OF THE SALE.

(4) IN ADDITION TO THE INFORMATION REQUIRED BY THIS SUBSECTION, BEFORE THE EXECUTION OF A REPLACEMENT OR EXCHANGE OF AN ANNUITY CONTRACT RESULTING FROM A RECOMMENDATION, THE INSURANCE AGENT SHALL ALSO PROVIDE, ON A FORM ADOPTED BY RULE BY THE SUPERINTENDENT, INFORMATION CONCERNING DIFFERENCES BETWEEN EACH EXISTING ANNUITY CONTRACT AND THE ANNUITY CONTRACT BEING RECOMMENDED IN ORDER TO DETERMINE THE SUITABILITY OF THE RECOMMENDATION AND ITS BENEFIT TO THE CONSUMER. A TRUE AND CORRECT

EXECUTED COPY OF THIS FORM SHALL BE PROVIDED BY THE AGENT TO THE INSURER, OR THE THIRD PARTY THAT HAS CONTRACTED WITH SUCH INSURER WITHIN TEN DAYS AFTER EXECUTION OF THE FORM, AND SHALL BE PROVIDED TO THE CONSUMER NO LATER THAN THE DATE OF DELIVERY OF THE CONTRACT OR CONTRACTS. THE INFORMATION SHALL INCLUDE, AT A MINIMUM:

(A) A COMPARISON OF THE BENEFITS, TERMS, AND LIMITATIONS BETWEEN THE ANNUITY CONTRACTS.

(B) A COMPARISON OF ANY FEES AND CHARGES BETWEEN THE ANNUITY CONTRACTS.

(C) A WRITTEN BASIS FOR THE RECOMMENDED EXCHANGE, INCLUDING THE OVERALL ADVANTAGES AND DISADVANTAGES TO THE CONSUMER IF THE RECOMMENDATION IS FOLLOWED.

(D) SUCH OTHER INFORMATION USED OR CONSIDERED TO BE RELEVANT BY THE INSURANCE AGENT OR THE INSURER IN MAKING RECOMMENDATIONS TO THE CONSUMER REGARDING THE REPLACEMENT OR EXCHANGE OF AN ANNUITY CONTRACT.

(5) PRIOR TO THE EXECUTION OF A PURCHASE OR EXCHANGE OF AN ANNUITY CONTRACT RESULTING FROM A RECOMMENDATION, AN AGENT SHALL ALSO DISCLOSE TO THE CONSUMER THAT SUCH PURCHASE OR EXCHANGE MAY HAVE TAX CONSEQUENCES AND THAT THE APPLICANT SHOULD CONTACT HIS OR HER TAX ADVISOR FOR MORE INFORMATION.

(6)(A) AN INSURER OR INSURANCE AGENT MUST ENSURE THAT A SYSTEM TO SUPERVISE RECOMMENDATIONS, WHICH IS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THIS SECTION, IS ESTABLISHED AND MAINTAINED BY COMPLYING WITH SUBPARAGRAPHS (C), (D) AND (E) OF THIS PARAGRAPH, OR SHALL ESTABLISH AND MAINTAIN SUCH A SYSTEM, INCLUDING, BUT NOT LIMITED TO:

(I) MAINTAINING WRITTEN PROCEDURES.

(II) CONDUCTING PERIODIC REVIEWS OF ITS RECORDS THAT ARE REASONABLY DESIGNED TO ASSIST IN DETECTING AND PREVENTING VIOLATIONS OF THIS SECTION.

(B) A MANAGING GENERAL AGENT AND AN INSURANCE AGENCY SHALL ADOPT A SYSTEM ESTABLISHED BY AN INSURER TO SUPERVISE RECOMMENDATIONS OF ITS INSURANCE AGENTS WHICH IS REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THIS SECTION OR SHALL ESTABLISH AND MAINTAIN SUCH A SYSTEM, INCLUDING, BUT NOT LIMITED TO:

(I) MAINTAINING WRITTEN PROCEDURES.

(II) CONDUCTING PERIODIC REVIEWS OF RECORDS THAT ARE REASONABLY DESIGNED TO ASSIST IN DETECTING AND PREVENTING VIOLATIONS OF THIS SECTION.

(C) AN INSURER MAY CONTRACT WITH A THIRD PARTY, INCLUDING A MANAGING GENERAL AGENT OR AN INSURANCE AGENCY, TO ESTABLISH AND MAINTAIN A SYSTEM OF SUPERVISION AS REQUIRED BY THIS PARAGRAPH WITH RESPECT TO INSURANCE AGENTS UNDER CONTRACT WITH OR EMPLOYED BY A THIRD PARTY.

(D) AN INSURER SHALL MAKE REASONABLE INQUIRY TO ENSURE THAT A THIRD PARTY CONTRACTING UNDER SUBPARAGRAPH (C) OF THIS PARAGRAPH IS PERFORMING THE FUNCTIONS REQUIRED UNDER THIS PARAGRAPH AND SHALL TAKE SUCH ACTION AS IS REASONABLE UNDER THE CIRCUMSTANCES TO ENFORCE THE CONTRACTUAL OBLIGATION TO PERFORM THE FUNCTIONS. AN INSURER MAY COMPLY WITH ITS OBLIGATION TO MAKE REASONABLE INQUIRY BY:

(I) ANNUALLY OBTAINING A CERTIFICATION FROM A THIRD PARTY SENIOR MANAGER WHO HAS RESPONSIBILITY FOR THE DELEGATED FUNCTIONS THAT THE MANAGER HAS A REASONABLE BASIS TO REPRESENT, AND DOES REPRESENT, THAT THE THIRD PARTY IS PERFORMING THE REQUIRED FUNCTIONS.

(II) BASED ON REASONABLE SELECTION CRITERIA, PERIODICALLY SELECTING THIRD PARTIES CONTRACTING UNDER SUBPARAGRAPH (C) OF THIS PARAGRAPH FOR A REVIEW TO DETERMINE WHETHER THE THIRD PARTIES ARE PERFORMING THE

REQUIRED FUNCTIONS. THE INSURER SHALL PERFORM ANY PROCEDURES NECESSARY TO CONDUCT THE REVIEW WHICH ARE REASONABLE UNDER THE CIRCUMSTANCES.

(E) AN INSURER THAT CONTRACTS WITH A THIRD PARTY PURSUANT TO SUBPARAGRAPH (C) OF THIS PARAGRAPH AND COMPLIES WITH THE REQUIREMENTS SPECIFIED IN SUBPARAGRAPH (D) OF THIS PARAGRAPH IS DEEMED TO HAVE FULFILLED ITS RESPONSIBILITIES UNDER THIS PARAGRAPH.

(F) AN INSURER, MANAGING GENERAL AGENT, OR INSURANCE AGENCY IS NOT REQUIRED BY THIS PARAGRAPH TO:

(I) REVIEW OR PROVIDE FOR REVIEW OF ALL TRANSACTIONS SOLICITED BY AN INSURANCE AGENT; OR

(II) INCLUDE IN ITS SYSTEM OF SUPERVISION AN INSURANCE AGENT'S RECOMMENDATIONS TO SENIOR CONSUMERS OF PRODUCTS OTHER THAN THE ANNUITIES OFFERED BY THE INSURER, MANAGING GENERAL AGENT, OR INSURANCE AGENCY.

(G) A MANAGING GENERAL AGENT OR INSURANCE AGENCY CONTRACTING WITH AN INSURER PURSUANT TO SUBPARAGRAPH (C) OF THIS PARAGRAPH SHALL PROMPTLY, WHEN REQUESTED BY THE INSURER PURSUANT TO SUBPARAGRAPH (D) OF THIS PARAGRAPH, PROVIDE A CERTIFICATION AS DESCRIBED IN SUBPARAGRAPH (D) OF THIS PARAGRAPH, OR PROVIDE A CLEAR STATEMENT THAT THE MANAGING GENERAL AGENT OR INSURANCE AGENCY IS UNABLE TO MEET THE CERTIFICATION CRITERIA.

(H) A PERSON MAY NOT PROVIDE A CERTIFICATION UNDER CLAUSE (I) OF SUBPARAGRAPH (D) OF THIS PARAGRAPH UNLESS THE PERSON IS A SENOR MANAGER WITH RESPONSIBILITY FOR THE DELEGATED FUNCTIONS AND HAS A REASONABLE BASIS FOR MAKING THE CERTIFICATION.

(E) (1) INSURERS, MANAGING GENERAL AGENTS, INSURANCE AGENCIES, AND INSURANCE AGENTS SHALL MAINTAIN OR MAKE AVAILABLE FROM THE ENTITY OR ENTITIES RESPONSIBLE FOR MAINTAINING THE RECORDS PURSUANT TO SUBSECTION (D) OF THIS SECTION TO THE DEPARTMENT, RECORDS OF THE INFORMATION COLLECTED FROM THE SENIOR CONSUMER AND OTHER INFORMATION USED IN MAKING THE RECOMMENDATIONS THAT WERE THE BASIS FOR INSURANCE TRANSACTIONS FOR FIVE YEARS AFTER THE INSURANCE TRANSACTION IS COMPLETED BY THE INSURER. AN INSURER IS PERMITTED, BUT SHALL NOT BE REQUIRED, TO MAINTAIN DOCUMENTATION ON BEHALF OF AN INSURANCE AGENT.

(2) RECORDS REQUIRED TO BE MAINTAINED BY THIS SUBSECTION MAY BE MAINTAINED IN PAPER, PHOTOGRAPHIC, MICROPROCESS, MAGNETIC, MECHANICAL, OR ELECTRONIC MEDIA, OR BY ANY PROCESS THAT ACCURATELY REPRODUCES THE ACTUAL DOCUMENT.

(F) UNLESS OTHERWISE SPECIFICALLY INCLUDED, THIS SECTION DOES NOT APPLY TO RECOMMENDATIONS INVOLVING:

(1) DIRECT-RESPONSE SOLICITATIONS WHERE THERE IS NO RECOMMENDATION BASED ON INFORMATION COLLECTED FROM THE SENIOR CONSUMER PURSUANT TO THIS SECTION.

(2) CONTRACTS USED TO FUND:

(A) AN EMPLOYEE PENSION OR WELFARE BENEFIT PLAN THAT IS COVERED BY THE EMPLOYEE RETIREMENT AND INCOME SECURITY ACT;

(B) A PLAN DESCRIBED BY SECTION 401(A), 401(K), 403(B), 408(K), OR 408(P) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, IF ESTABLISHED OR MAINTAINED BY AN EMPLOYER;

(C) A GOVERNMENT OR CHURCH PLAN DEFINED IN SECTION 414 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, A GOVERNMENT OR CHURCH WELFARE BENEFIT PLAN, OR A DEFERRED COMPENSATION PLAN OF A STATE OR LOCAL GOVERNMENT OR TAX-EXEMPT ORGANIZATION UNDER SECTION 457 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED;

(D) A NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENT ESTABLISHED OR MAINTAINED BY AN EMPLOYER OR PLAN SPONSOR;

(E) SETTLEMENTS OF OR ASSUMPTIONS OF LIABILITIES ASSOCIATED WITH PERSONAL INJURY LITIGATION OR ANY DISPUTE OR CLAIM RESOLUTION PROCESS; OR

(F) PREPAID FUNERAL CONTRACTS.

(G) ANY PERSON WHO IS REGISTERED WITH A MEMBER OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, WHO IS REQUIRED TO MAKE A SUITABILITY DETERMINATION, AND WHO MAKES AND DOCUMENTS SUCH DETERMINATION IS DEEMED TO SATISFY THE REQUIREMENTS UNDER THIS SECTION FOR THE RECOMMENDATION OF ANNUITIES. THIS SECTION DOES NOT LIMIT THE DEPARTMENT'S ABILITY TO ENFORCE THE PROVISIONS OF THIS SECTION WITH RESPECT TO INSURANCE AGENTS, INSURANCE AGENCIES, AND MANAGING GENERAL AGENTS, OR THE OFFICE'S ABILITY TO ENFORCE THE PROVISIONS OF THIS SECTION WITH RESPECT TO INSURERS.

(H) THE SUPERINTENDENT SHALL ADOPT RULES AND REGULATIONS NECESSARY TO ADMINISTER THE PROVISIONS OF THIS SECTION.

S 3. This act shall take effect January 1, 2011.