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

4116

2009-2010 Regular Sessions

I N S E N A T E

April 13, 2009

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to investments and activities of insurance department employees

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

Section 1. Subsection (a) of section 204 of the insurance law is amended to read as follows:

(a) Neither the superintendent, any deputy, nor any employee of the department, shall be interested, directly or indirectly, in the business of any insurer, agent, broker, adjuster, or other licensee of the department, whether as a security holder, director, officer, attorney, agent, or employee. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROHIBIT THE SUPERINTENDENT, ANY DEPUTY, OR ANY EMPLOYEE OF THE DEPARTMENT FROM OWNING SHARES OF AN INVESTMENT COMPANY (MUTUAL FUND) THAT MAY INCIDENTALLY INVEST IN THE SECURITIES ISSUED BY ANY LICENSEE, PROVIDED THAT THE PURPOSE OF THE INVESTMENT PORTFOLIO OF THE INVESTMENT COMPANY MAY NOT BE TO INVEST PRIMARILY OR EXCLUSIVELY IN THE SECURITIES ISSUED BY THE LICENSEES. FOR PURPOSES OF THIS SECTION, INVESTMENT COMPANIES INCLUDE OPEN-END AND CLOSED-END INVESTMENT COMPANIES AND UNIT INVESTMENT TRUSTS AS THOSE TERMS ARE DEFINED IN AN ACT OF CONGRESS ENTITLED "THE INVESTMENT COMPANY ACT OF 1940," AS AMENDED.

S 2. This act shall take effect immediately.

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

LBD09480-01-9