

10535

I N   A S S E M B L Y

June 4, 2012

---

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Morelle) --  
read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to admitted assets for  
annuity risk where a single premium annuity contract has been  
purchased

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

1     Section 1. Subsection (b) of section 1110 of the insurance law, as  
2     amended by chapter 419 of the laws of 2001, is amended to read as  
3     follows:  
4     (b) Every such domestic corporation or association shall maintain  
5     admitted assets at least equal to the greater of (i) the sum of its  
6     reserves on its outstanding agreements, calculated in accordance with  
7     section four thousand two hundred seventeen of this chapter, and a  
8     surplus of ten per centum of such reserves, or (ii) the amount of one  
9     hundred thousand dollars. In determining such reserves a deduction shall  
10    be made for all or any portion of an annuity risk which is reinsured by  
11    a life insurance company authorized to do business in this state OR FOR  
12    ALL OR ANY PORTION OF AN ANNUITY RISK WHERE SUCH CORPORATION OR ASSOCI-  
13    ATION HAS PURCHASED A SINGLE PREMIUM ANNUITY CONTRACT FROM A LIFE INSUR-  
14    ANCE COMPANY AUTHORIZED TO DO BUSINESS IN THIS STATE TO FUND SUCH RISK.  
15    The required admitted assets shall be invested in accordance with the  
16    prudent investor standard as defined in section 11-2.3 of the estates,  
17    powers and trusts law and shall not be subject to the investment limita-  
18    tions set forth in this chapter. Such assets shall be segregated as  
19    separate and distinct funds, independent of all other funds of such  
20    corporation or association, and shall not be applied to pay its debts  
21    and obligations or for any purpose except the aforesaid annuity bene-  
22    fits.  
23    S 2. This act shall take effect immediately.

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

LBD15567-02-2