

3832

2011-2012 Regular Sessions

I N A S S E M B L Y

January 27, 2011

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 investments and activities of insurance department employees

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

1 Section 1. Subsection (a) of section 204 of the insurance law is
2 amended to read as follows:
3 (a) Neither the superintendent, any deputy, nor any employee of the
4 department, shall be interested, directly or indirectly, in the business
5 of any insurer, agent, broker, adjuster, or other licensee of the
6 department, whether as a security holder, director, officer, attorney,
7 agent, or employee. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO
8 PROHIBIT THE SUPERINTENDENT, ANY DEPUTY, OR ANY EMPLOYEE OF THE DEPART-
9 MENT FROM OWNING SHARES OF AN INVESTMENT COMPANY (MUTUAL FUND) THAT MAY
10 INCIDENTALLY INVEST IN THE SECURITIES ISSUED BY ANY LICENSEE, PROVIDED
11 THAT THE PURPOSE OF THE INVESTMENT PORTFOLIO OF THE INVESTMENT COMPANY
12 MAY NOT BE TO INVEST PRIMARILY OR EXCLUSIVELY IN THE SECURITIES ISSUED
13 BY THE LICENSEES. FOR PURPOSES OF THIS SECTION, INVESTMENT COMPANIES
14 INCLUDE OPEN-END AND CLOSED-END INVESTMENT COMPANIES AND UNIT INVESTMENT
15 TRUSTS AS THOSE TERMS ARE DEFINED IN AN ACT OF CONGRESS ENTITLED "THE
16 INVESTMENT COMPANY ACT OF 1940," AS AMENDED.
17 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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