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

7951

2011-2012 Regular Sessions

I N A S S E M B L Y

May 25, 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 by charitable gift annuity corporations or associations

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

Section 1. Subdivision (b) of section 1110 of the insurance law, as amended by chapter 419 of the laws of 2001, is amended to read as follows:

(b) Every such domestic corporation or association shall maintain admitted assets at least equal to the greater of (i) the sum of its reserves on its outstanding agreements, calculated in accordance with section four thousand two hundred seventeen of this chapter, and a surplus of ten per centum of such reserves, or (ii) the amount of one hundred thousand dollars. In determining such reserves a deduction shall be made for all or any portion of an annuity risk which is reinsured by a life insurance company authorized to do business in this state. The required admitted assets shall be invested in accordance with the prudent investor standard as defined in section 11-2.3 of the estates, powers and trusts law and shall not be subject to the investment limitations set forth in this chapter. Such assets shall be segregated as separate and distinct funds, independent of all other funds of such corporation or association, and shall not be applied to pay its debts and obligations or for any purpose except the aforesaid annuity benefits; PROVIDED HOWEVER, THE CORPORATION OR ASSOCIATION MAY INVEST AND MANAGE THE ADMITTED ASSETS IN COMBINATION WITH OTHER ASSETS OF THE ORGANIZATION, PROVIDED FURTHER, THAT THERE IS A SEPARATE CUSTODY ACCOUNT FOR THE INTEREST OF THE ADMITTED ASSETS IN ANY SUCH COMBINED FUND.

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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