

2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

January 5, 2011

Introduced by Sen. DIAZ -- 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 prohibiting retained-asset accounts

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

1 Section 1. Section 3213 of the insurance law is amended to read as
2 follows:

3 S 3213. Payment of proceeds. 1. WHERE THE PROCEEDS OF A POLICY OF
4 LIFE INSURANCE DELIVERED OR ISSUED FOR DELIVERY IN THIS STATE ARE PAYA-
5 BLE, ACCORDING TO ITS TERMS, SUCH PROCEEDS SHALL NOT BE HELD IN A
6 RETAINED-ASSET ACCOUNT HELD BY THE INSURER. FOR PURPOSES OF THIS SECTION
7 A "RETAINED-ASSET ACCOUNT" SHALL MEAN AN ACCOUNT NOT GUARANTEED BY THE
8 FEDERAL DEPOSIT INSURANCE CORPORATION, THE FUNDS OF WHICH ARE RETAINED
9 BY THE INSURER, WITH ALL OR A PORTION OF THE INTEREST BEING PAID TO THE
10 INSURER, BUT THE FUNDS OF SUCH ACCOUNT ARE PAYABLE TO THE BENEFICIARY OR
11 BENEFICIARIES BY USE OF A CHECKBOOK.

12 2. Where the proceeds of a policy of life insurance delivered or
13 issued for delivery in this state are payable, according to its terms,
14 to two or more beneficiaries without designation of their respective
15 interests, the proceeds shall be paid to such beneficiaries in equal
16 portions.

17 S 2. This act shall take effect on the sixtieth day after it shall
18 have become a law.

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

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