

5440

2011-2012 Regular Sessions

I N S E N A T E

May 23, 2011

Introduced by Sen. DeFRANCISCO -- 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 exemption for certain stock and non-stock insurance companies

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

1 Section 1. The insurance law is amended by adding a new section 1326  
2 to read as follows:  
3 S 1326. STATUTORY ASSOCIATION MEMBERSHIP; OBLIGATIONS. FOR THOSE STOCK  
4 AND NON-STOCK COMPANIES TO WHICH SUBPARAGRAPH (B) OF PARAGRAPH TWO OF  
5 SUBSECTION (B) OF SECTION ONE THOUSAND THREE HUNDRED TWENTY-FOUR OF THIS  
6 ARTICLE APPLIES, NO LIABILITIES ARISING FROM THE OBLIGATIONS OF AN ASSO-  
7 CIATION AUTHORIZED PURSUANT TO SUBPARAGRAPH (D) OF PARAGRAPH TWO OF  
8 SUBSECTION (C) OF SECTION FIVE THOUSAND FIVE HUNDRED TWO OF THIS CHAPTER  
9 SHALL BE DUE AND OWING FROM SUCH COMPANIES UNLESS AND UNTIL SUCH OBLI-  
10 GATIONS CAN ONLY BE SATISFIED, AFTER CONSIDERATION OF ALL RESOURCES OF  
11 THE ASSOCIATION, INCLUDING BUT NOT LIMITED TO CURRENT PREMIUM INCOME, BY  
12 A CONTRIBUTION FROM SUCH COMPANIES AND THE COMPANIES ARE NOTIFIED OF  
13 SAME BY SUCH ASSOCIATION NOT LESS THAN THREE HUNDRED SIXTY-FIVE DAYS  
14 PRIOR TO THE DATE UPON WHICH SUCH OBLIGATIONS SHALL BE DUE AND OWING,  
15 AND SHALL ONLY RELATE TO OBLIGATIONS OF THE ASSOCIATION THAT ARE ACTUAL-  
16 LY DUE AND OWING BY THE ASSOCIATION IN THAT YEAR IN WHICH CONTRIBUTION  
17 IS TO BE MADE BY THE COMPANIES. SUCH OBLIGATIONS SHALL NOT BE AGGREGATED  
18 FOR ANY OTHER YEAR EXCEPT THAT IN WHICH CONTRIBUTION IS DUE AND OWING OR  
19 PREVIOUS YEARS IN WHICH CONTRIBUTIONS HAVE NOT BEEN SATISFIED; FURTHER,  
20 SUCH LIABILITIES AND THE CONTRIBUTIONS THEREFOR SHALL NOT INCLUDE ANY  
21 CONTINGENT LIABILITIES OF THE ASSOCIATION FOR THE YEAR FOR WHICH  
22 CONTRIBUTIONS ARE REQUESTED; PROVIDED, HOWEVER, THAT COMPANIES SHALL  
23 MAINTAIN AT ALL TIMES A RESERVE OF NOT LESS THAN TEN PERCENT OF THEIR  
24 RESPECTIVE AND PROPORTIONATE LIABILITIES OF THE AGGREGATE DEFICIT OF THE  
25 ASSOCIATION, AS SUCH RESPECTIVE AND PROPORTIONATE LIABILITIES OF THE  
26 AGGREGATE DEFICIT ARE REPORTED BY THE ASSOCIATION CONSISTENT WITH THE  
27 PROVISIONS OF THIS SECTION.  
28 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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