

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

6812--A

I N S E N A T E

March 23, 2012

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to anti-rebating provisions for insurers

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

1 Section 1. Subsection (a) of section 2324 of the insurance law, as
2 amended by chapter 482 of the laws of 2000, is amended to read as
3 follows:
4 (a) No authorized insurer, no licensed insurance agent, no licensed
5 insurance broker, and no employee or other representative of any such
6 insurer, agent or broker shall make, procure or negotiate any contract
7 of insurance other than as plainly expressed in the policy or other
8 written contract issued or to be issued as evidence thereof, or shall
9 directly or indirectly, by giving or sharing a commission or in any
10 manner whatsoever, pay or allow or offer to pay or allow to the insured
11 or to any employee of the insured, either as an inducement to the making
12 of insurance or after insurance has been effected, any rebate from the
13 premium which is specified in the policy, or any special favor or advantage
14 in the dividends or other benefit to accrue thereon, or shall give
15 or offer to give any valuable consideration or inducement of any kind,
16 directly or indirectly, which is not specified in such policy or
17 contract, other than any [article of] VALUABLE CONSIDERATION, INCLUDING
18 BUT NOT LIMITED TO merchandise OR PERIODICAL SUBSCRIPTIONS, not exceeding
19 [fifteen] TWENTY-FIVE dollars in value [which shall have conspicuously
20 stamped or printed thereon the advertisement of the insurer, agent
21 or broker], or shall give, sell or purchase, or offer to give, sell or
22 purchase, as an inducement to the making of such insurance or in
23 connection therewith, any stock, bond or other securities or any dividends
24 or profits accrued thereon, nor shall the insured, his agent or
25 representative knowingly receive directly or indirectly, any such rebate
26 or special favor or advantage, provided, however, a licensed insurance

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

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1 agent or a licensed insurance broker may retain the usual commission or
2 underwriting fee on insurance placed on his own property or risks, if
3 the aggregate of such commissions or underwriting fees will not exceed
4 five percent of the total net commissions or underwriting fees received
5 by such licensed insurance agent or insurance broker during the calendar
6 year.

7 S 2. Subsection (c) of section 4224 of the insurance law, as amended
8 by chapter 592 of the laws of 2008, is amended to read as follows:

9 (c) Except as permitted by section three thousand two hundred thirty-
10 nine of this chapter, no such life insurance company and no such savings
11 and insurance bank and no officer, agent, solicitor or representative
12 thereof and no such insurer doing in this state the business of accident
13 and health insurance and no officer, agent, solicitor or representative
14 thereof, and no licensed insurance broker and no employee or other
15 representative of any such insurer, agent or broker, shall pay, allow or
16 give, or offer to pay, allow or give, directly or indirectly, as an
17 inducement to any person to insure, or shall give, sell or purchase, or
18 offer to give, sell or purchase, as such inducement, or interdependent
19 with any policy of life insurance or annuity contract or policy of acci-
20 dent and health insurance, any stocks, bonds, or other securities, or
21 any dividends or profits accruing or to accrue thereon, or any valuable
22 consideration or inducement whatever not specified in such policy or
23 contract OTHER THAN ANY VALUABLE CONSIDERATION, INCLUDING BUT NOT LIMIT-
24 ED TO MERCHANDISE OR PERIODICAL SUBSCRIPTIONS, NOT EXCEEDING TWENTY-FIVE
25 DOLLARS IN VALUE; nor shall any person in this state knowingly receive
26 as such inducement, any rebate of premium or policy fee or any special
27 favor or advantage in the dividends or other benefits to accrue on any
28 such policy or contract, or knowingly receive any paid employment or
29 contract for services of any kind, or any valuable consideration or
30 inducement whatever which is not specified in such policy or contract.

31 S 3. This act shall take effect immediately.