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

6855

2013-2014 Regular Sessions

I N A S S E M B L Y

April 22, 2013

Introduced by M. of A. SILVER, LAVINE, MORELLE, FARRELL, WEINSTEIN, CYMBROWITZ, GOLDFEDER, ROZIC, SIMANOWITZ, HIKIND, JACOBS, TITUS, SWEENEY, GLICK, ENGLEBRIGHT, PERRY, DINOWITZ, SCARBOROUGH, COLTON, CUSICK, BENEDETTO, MAISEL, GABRYSZAK, JAFFEE, SCHIMEL, TITONE, KELLNER, MILLER, THIELE, MOYA, BRINDISI, OTIS, ROSA -- Multi-Sponsored by -- M. of A. ABINANTI, ARROYO, BRENNAN, BRONSON, BUCHWALD, CLARK, FAHY, GOTTFRIED, MAGEE, MARKEY, MAYER, McDONALD, MOSLEY, NOLAN, PAULIN, PEOPLES-STOKES, ROBINSON, RODRIGUEZ, ROSENTHAL, SIMOTAS, SKARTADOS, WEISENBERG, ZEBROWSKI -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to investments in foreign states sponsoring terrorism

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

Section 1. The legislature finds and declares all of the following:

(1) The Federal Securities and Exchange Commission has determined that investments in foreign states sponsoring terrorism, such as Iran, that are subject to sanctions by the United States, may materially harm the share value of foreign companies. Shares in these foreign companies may be held in the portfolio of insurance companies issuing policies to New York consumers.

(2) Publicly traded companies in the United States are substantially restricted in doing business in or with foreign states, such as Iran, that the United States Department of State has identified as sponsoring terrorism.

(3) Identifying persons with investments in foreign states, such as Iran, that sponsor terrorism and ensuring that those investments are financially sound is an important public policy priority.

(4) It is the government of Iran, and not the people of Iran, that is responsible for Iran's support of terrorism and that commits egregious

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

LBD10320-02-3

violations of human rights under which its own citizens are required to live.

S 2. The insurance law is amended by adding a new section 1415 to read as follows:

S 1415. INVESTMENTS OF DOMESTIC INSURERS IN PERSONS INCLUDED ON LIST OF PERSONS ENGAGED IN INVESTMENT ACTIVITIES IN IRAN TREATED AS NONADMITTED ASSETS. 1. AS USED IN THIS SECTION, THE FOLLOWING DEFINITIONS SHALL APPLY:

(A) "IRAN" SHALL HAVE THE SAME DEFINITION AS USED IN SECTION ONE HUNDRED SIXTY-FIVE-A OF THE STATE FINANCE LAW.

(B) "PERSON" SHALL HAVE THE SAME DEFINITION AS USED IN SECTION ONE HUNDRED SIXTY-FIVE-A OF THE STATE FINANCE LAW.

(C) "INVESTMENT" SHALL MEAN ANY INVESTMENT PERMITTED UNDER SECTION FOURTEEN HUNDRED FOUR OR FOURTEEN HUNDRED FIVE OF THIS ARTICLE.

2. INVESTMENTS BY A DOMESTIC INSURER IN PERSONS WHICH ARE INCLUDED ON THE LIST OF PERSONS CREATED BY THE OFFICE OF GENERAL SERVICES PURSUANT TO PARAGRAPH (B) OF SUBDIVISION THREE OF SECTION ONE HUNDRED SIXTY-FIVE-A OF THE STATE FINANCE LAW SHALL BE TREATED AS NONADMITTED ASSETS.

3. ON OR BEFORE DECEMBER THIRTIETH, TWO THOUSAND THIRTEEN, AND ANNUALLY THEREAFTER, THE INSURER SHALL DETERMINE WHAT INVESTMENTS IT HAD IN THE PAST CALENDAR YEAR, INCLUDING ANY TRANSFERS OR OTHER TRANSACTIONS, IN PERSONS WHICH ARE INCLUDED ON THE LIST OF PERSONS CREATED BY THE OFFICE OF GENERAL SERVICES PURSUANT TO PARAGRAPH (B) OF SUBDIVISION THREE OF SECTION ONE HUNDRED SIXTY-FIVE-A OF THE STATE FINANCE LAW.

4. ON MARCH FIRST, TWO THOUSAND FOURTEEN, AND ANNUALLY THEREAFTER, THE INSURER SHALL PROVIDE THE DEPARTMENT WITH A LIST OF INVESTMENTS IT HAD IN THE PAST CALENDAR YEAR, INCLUDING ANY TRANSFERS OR OTHER TRANSACTIONS, IN PERSONS INCLUDED ON THE LIST OF PERSONS CREATED BY THE OFFICE OF GENERAL SERVICES DESCRIBED IN SUBDIVISION THREE OF THIS SECTION, INCLUDING, BUT NOT LIMITED TO, THE ISSUER, BY NAME, OF ALL THE STOCK, BONDS, SECURITIES, AND OTHER EVIDENCE OF INDEBTEDNESS.

5. THIS SECTION SHALL CEASE TO BE OPERATIVE IF BOTH OF THE FOLLOWING APPLY:

(A) IRAN IS REMOVED FROM THE UNITED STATES DEPARTMENT OF STATE'S LIST OF COUNTRIES THAT HAVE BEEN DETERMINED TO REPEATEDLY PROVIDE SUPPORT FOR ACTS OF INTERNATIONAL TERRORISM.

(B) PURSUANT TO THE APPROPRIATE FEDERAL STATUTE, THE PRESIDENT OF THE UNITED STATES DETERMINES AND CERTIFIES TO THE APPROPRIATE COMMITTEE OF THE CONGRESS OF THE UNITED STATES THAT IRAN HAS CEASED ITS EFFORTS TO DESIGN, DEVELOP, MANUFACTURE, OR ACQUIRE A NUCLEAR EXPLOSIVE DEVICE OR RELATED MATERIALS AND TECHNOLOGY.

S 3. If any clause, sentence, paragraph, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

S 4. This act shall take effect on the ninetieth day after it shall have become a law; provided, however, that effective immediately, the addition, amendment, and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized and directed to be made and completed on or before such effective date.