

5083

2013-2014 Regular Sessions

I N S E N A T E

May 8, 2013

Introduced by Sen. SEWARD -- 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 investments in foreign states sponsoring terrorism

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

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

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

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

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

15 (4) It is the government of Iran, and not the people of Iran, that is  
16 responsible for Iran's support of terrorism and that commits egregious  
17 violations of human rights under which its own citizens are required to  
18 live.

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

21 S 1415. INVESTMENTS OF DOMESTIC INSURERS IN PERSONS INCLUDED ON LIST  
22 OF PERSONS ENGAGED IN INVESTMENT ACTIVITIES IN IRAN TREATED AS NONADMIT-  
23 TED ASSETS. 1. AS USED IN THIS SECTION, THE FOLLOWING DEFINITIONS SHALL  
24 APPLY:

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

LBD10320-02-3

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

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

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

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

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

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

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

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

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

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

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