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1380--A

2015-2016 Regular Sessions

I N   S E N A T E

January 12, 2015
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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 distribution of divi-
  dends by domestic stock life insurers

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

 1   Section 1. Paragraph 1 of subsection (a) of section 4207 of the insur-
 2 ance law, as added by chapter 442 of the laws of 2000, is amended to
 3 read as follows:
 4   (1) Notwithstanding paragraph two of this subsection, any domestic
 5 stock life insurance company may distribute a dividend to its sharehold-
 6 ers where the aggregate amount of such dividends in any calendar year
 7 does not exceed the [lesser] GREATER of:
 8   (A) ten percent of its surplus to policyholders as of the immediately
 9 preceding calendar year; or
10   (B) its net gain from operations for the immediately preceding calen-
11 dar year, not including realized capital gains, NOT TO EXCEED: (I)
12 FIFTEEN PERCENT OF ITS SURPLUS TO POLICYHOLDERS AS OF THE IMMEDIATELY
13 PRECEDING CALENDAR YEAR, IF ITS NET GAIN FROM OPERATIONS, NOT INCLUDING
14 REALIZED CAPITAL GAINS, HAS BEEN NEGATIVE IN ANY ONE OR MORE OF THE
15 IMMEDIATELY PRECEDING THREE CALENDAR YEARS OR OTHERWISE (II) TWENTY-FIVE
16 PERCENT OF ITS SURPLUS TO POLICYHOLDERS AS OF THE IMMEDIATELY PRECEDING
17 CALENDAR YEAR; PROVIDED, HOWEVER, THAT, NOTWITHSTANDING THIS PARAGRAPH,
18 IN NO EVENT MAY A DIVIDEND BE DISTRIBUTED WITHOUT APPROVAL OF THE SUPER-
19 INTENDENT, IN ACCORDANCE WITH PARAGRAPH TWO OF THIS SUBSECTION, IN THE
20 CALENDAR YEAR IMMEDIATELY FOLLOWING A CALENDAR YEAR FOR WHICH ITS NET
21 GAIN FROM OPERATIONS, NOT INCLUDING REALIZED CAPITAL GAINS, WAS
22 NEGATIVE.
23   S 2. This act shall take effect immediately.

     EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
                     [ ] is old law to be omitted.
                                                        LBD06932-03-5