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

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I N  S E N A T E

January 8, 2016

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the insurance law, in relation to the board of directors of domestic life insurance companies

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

Section 1. Subsection (b) of section 1202 of the insurance law, as amended by chapter 575 of the laws of 2015, is amended to read as follows:

(b) (1) Subject to item (v) of subparagraph (B) of paragraph five of subsection (a) of section one thousand two hundred one of this article, not less than one-third of the directors of a domestic stock life insurance company and not less than one-third of the members of each committee of the board of directors of any domestic life insurance company shall be persons who are not officers or employees of such company or of any entity controlling, controlled by, or under common control with such company and who are not beneficial owners of a controlling interest in the voting stock of such company or any such entity. At least one such person [must] SHALL be included in any quorum for the transaction of business at any meeting of the board of directors or any committee thereof.

(2) The board of directors of a domestic life insurance company shall establish one or more committees comprised solely of directors who are not officers or employees of the company or of any entity controlling, controlled by, or under common control with the company and who are not beneficial owners of a controlling interest in the voting stock of the company or any such entity. Such committee or committees shall have responsibility for recommending the selection of independent certified public accountants, reviewing the company's financial condition, the scope and results of the independent audit and any internal audit, nominating candidates for director for election by shareholders or policyholders, evaluating the performance of officers deemed by such committee or committees to be principal officers of the company, and recommending to the board of directors the selection and compensation of such princi-

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

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pal officers and in the case of a domestic stock life insurance company, recommending to its board of directors any plan to issue options to its officers and employees for the purchase of shares of stock, pursuant to section one thousand two hundred seven of this article.

(3) The provisions of this subsection shall not apply to a domestic life insurance company if the [person controlling such insurance company] HOLDING COMPANY OR PARENT CORPORATION is [an] A FOREIGN OR DOMESTIC insurance company, a mutual insurance holding company ESTABLISHED PURSUANT TO THE LAWS OF THE UNITED STATES, or a publicly held corporation INCORPORATED IN THE UNITED STATES, having a board of directors and committees thereof that meet the SAME requirements [of] AS HAVE BEEN ESTABLISHED FOR A DOMESTIC STOCK LIFE INSURANCE COMPANY PURSUANT TO paragraphs one and two of this subsection. IN SUCH A CASE, THE DIRECTORS OF THE HOLDING COMPANY OR PARENT CORPORATION SHALL BE SUBJECT TO THIS CHAPTER IN THE SAME MANNER AS THE DIRECTORS OF A DOMESTIC STOCK LIFE INSURANCE COMPANY.

S 2. This act shall take effect immediately.