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

7039

I N S E N A T E

March 17, 2016

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 permitting insurance brokers to engage in certain activities with respect to property and casualty insurance in New York

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

Section 1. Subsection (k) of section 2117 of the insurance law, as added by chapter 64 of the laws of 2015, is amended to read as follows:

(k)(1) Notwithstanding subsection (a) of this section, any insurance broker licensed under subparagraph (A) of paragraph one of subsection (b) of section two thousand one hundred four of this article with respect to life insurance or annuities, [or] subparagraph (A) or (B) of paragraph one of subsection (b) of such section with respect to accident and health insurance, OR SUBPARAGRAPH (B) OF THIS PARAGRAPH WITH RESPECT TO PROPERTY/CASUALTY INSURANCE may engage in the activities specified in paragraph two of this subsection with respect to an alien insurer not authorized to do an insurance business in this state, provided that:

(A) the activities relate to a policy or contract of group life, group annuity, [or] group accident and health insurance, OR PROPERTY/CASUALTY INSURANCE where the policyholder or proposed policyholder is a multinational entity resident outside the United States, the policy or contract covers the multinational entity's LIABILITIES, PROPERTIES, employees and their dependents, and the LIABILITIES, PROPERTIES AND employees reside outside of the United States, except that the policy or contract may provide coverage to employees who are temporarily inside the United States;

(B) the policy or contract shall not be underwritten or negotiated in this state or issued or delivered in the United States;

(C) the alien insurer is authorized to transact the kinds of insurance business in the jurisdictions where the policies or contracts will be issued or delivered and the policies or contracts are issued in conformance with the laws of such jurisdictions;

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

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(D) before engaging in any of the activities specified in paragraph two of this subsection, the licensed insurance broker provides written notice to the multinational entity that the alien insurer is not licensed in or authorized to do business in this state; the policy or contract is not protected by the New York state guaranty funds; the policy or contract has not been approved by the superintendent; and the policy or contract may not be subject to all of the laws of this state;

(E) the alien insurer shall not maintain any office in this state; and

(F) except as specifically provided in this section, the licensed insurance broker shall not call attention to the alien insurer by any advertisement or public announcement in this state.

(2) Subject to paragraph one of this subsection, the licensed insurance broker may engage in this state in only the following activities with respect to the alien insurer:

(A) provide information to the multinational entity with respect to a policy or contract of group life, group annuity, [or] group accident and health insurance, OR A PROPERTY/CASUALTY INSURANCE POLICY issued or delivered or that will be issued or delivered by the alien insurer;

(B) meet and discuss insurance needs with the multinational entity, including providing information directly to the entity in person or otherwise about the policies or contracts offered by the alien insurer; and facilitating introductions with the multinational entity's human resources and benefits manager in each country in which the multinational entity has employee benefit needs;

(C) refer the multinational entity to the alien insurer and provide information to the multinational entity about the alien insurer;

(D) respond to requests for information by representatives of the multinational entity concerning quotes and any other specific terms and conditions of a group life, group annuity, [or] group accident and health insurance, OR PROPERTY/CASUALTY INSURANCE policy or contract being negotiated in the jurisdiction where the policy or contract will be issued or delivered by the alien insurer;

(E) provide information concerning renewals of existing policies or contracts of group life, group annuity, [or] group accident and health insurance, OR A PROPERTY/CASUALTY INSURANCE POLICY issued by the alien insurer; and

(F) manage the employee benefits program of the multinational entity, including aggregating and reporting employee benefits and financial information about the program.

(3) Any activity in which a licensed insurance broker engages with respect to an alien insurer pursuant to this subsection shall be deemed to be included within the meaning of "any other transaction of business" for the purposes of section one thousand two hundred thirteen of this article.

(4) For purposes of this subsection:

(A) "multinational entity" shall mean an institution that is a member of a multinational group of institutions operating globally where: (i) at least one institution in the group is formed under the laws of the United States or has significant operations in the United States; and (ii) at least one institution in the group has offices outside the United States; and

(B) "group of institutions" shall mean a parent corporation and its subsidiaries.

S 2. This act shall take effect immediately.