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

8128

2015-2016 Regular Sessions

I N A S S E M B L Y

June 9, 2015

Introduced by M. of A. OTIS -- read once and referred to the Committee on Labor

AN ACT to amend the workers' compensation law, in relation to the investment of surplus funds of the state insurance fund

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

Section 1. Subdivision 2 of section 87 of the workers' compensation law, as added by section 20 of part GG of chapter 57 of the laws of 2013, is amended to read as follows:

2. Any of the surplus funds belonging to the state insurance fund, by order of the commissioners, approved by the superintendent of financial services, may be invested (1) in the types of securities described in subdivisions one, two, three, four, five, six, eleven, twelve, twelve-a, thirteen, fourteen, fifteen, nineteen, twenty, twenty-one, twenty-one-a, twenty-four, twenty-four-a, twenty-four-b, twenty-four-c and twenty-five of section two hundred thirty-five of the banking law, OR (2) IN THE TYPES OF OBLIGATIONS DESCRIBED IN PARAGRAPH TWO OF SUBSECTION (A) OF SECTION ONE THOUSAND FOUR HUNDRED FOUR OF THE INSURANCE LAW EXCEPT THAT UP TO TWENTY-FIVE PERCENT OF SURPLUS FUNDS MAY BE INVESTED IN OBLIGATIONS RATED INVESTMENT GRADE BY A NATIONALLY RECOGNIZED SECURITIES RATING ORGANIZATION, or[,] (3) up to fifty percent of surplus funds, in the types of securities or investments described in paragraphs [two,] three, eight and ten of subsection (a) of section one thousand four hundred four of the insurance law, except that [up to ten percent of surplus funds may be invested] SUCH INVESTMENTS in [the] EQUITY securities of any solvent American institution [as described in such paragraphs] MAY BE MADE irrespective of the rating of such institution's obligations or other similar qualitative standards [described therein, and] APPLICABLE UNDER SUCH PARAGRAPHS, OR (4) UP TO TEN PERCENT OF SURPLUS FUNDS, IN THE TYPES OF SECURITIES OR INVESTMENTS DESCRIBED IN PARAGRAPHS TWO, THREE AND TEN OF SUBSECTION (A) OF SECTION ONE THOUSAND

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

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FOUR HUNDRED FOUR OF THE INSURANCE LAW IRRESPECTIVE OF THE RATING OF SUCH INSTITUTION'S OBLIGATIONS OR OTHER SIMILAR QUALITATIVE STANDARDS, OR (5) up to fifteen percent of surplus funds, in securities or investments which do not otherwise qualify for investment under this section as shall be made with the care, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims as provided for the state insurance fund under this article, but shall not include any direct derivative instrument or derivative transaction except for hedging purposes. Notwithstanding any other provision in this subdivision, the aggregate amount that the state insurance fund may invest in the types of securities or investments described in paragraphs three, eight and ten of subsection (a) of section one thousand four hundred four of the insurance law and as a prudent person acting in a like capacity would invest as provided in this subdivision shall not exceed fifty percent of such surplus funds. FOR PURPOSES OF THIS SUBDIVISION, ANY FUNDS APPROPRIATED PURSUANT TO THE PROVISIONS OF SUBDIVISION ONE OR TWO OF SECTION EIGHTY-SEVEN-F OF THIS ARTICLE SHALL NOT BE CONSIDERED SURPLUS FUNDS.

S 2. This act shall take effect immediately.