

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 dividends by domestic stock life insurers

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

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

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