

5880

2015-2016 Regular Sessions

I N S E N A T E

June 10, 2015

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

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:

1 Section 1. Subdivision 2 of section 87 of the workers' compensation
2 law, as added by section 20 of part GG of chapter 57 of the laws of
3 2013, is amended to read as follows:
4 2. Any of the surplus funds belonging to the state insurance fund, by
5 order of the commissioners, approved by the superintendent of financial
6 services, may be invested (1) in the types of securities described in
7 subdivisions one, two, three, four, five, six, eleven, twelve, twelve-a,
8 thirteen, fourteen, fifteen, nineteen, twenty, twenty-one, twenty-one-a,
9 twenty-four, twenty-four-a, twenty-four-b, twenty-four-c and twenty-five
10 of section two hundred thirty-five of the banking law, OR (2) IN THE
11 TYPES OF OBLIGATIONS DESCRIBED IN PARAGRAPH TWO OF SUBSECTION (A) OF
12 SECTION ONE THOUSAND FOUR HUNDRED FOUR OF THE INSURANCE LAW EXCEPT THAT
13 UP TO TWENTY-FIVE PERCENT OF SURPLUS FUNDS MAY BE INVESTED IN OBLI-
14 GATIONS RATED INVESTMENT GRADE BY A NATIONALLY RECOGNIZED SECURITIES
15 RATING ORGANIZATION, or[,] (3) up to fifty percent of surplus funds, in
16 the types of securities or investments described in paragraphs [two,]
17 three, eight and ten of subsection (a) of section one thousand four
18 hundred four of the insurance law, except that [up to ten percent of
19 surplus funds may be invested] SUCH INVESTMENTS in [the] EQUITY securi-
20 ties of any solvent American institution [as described in such para-
21 graphs] MAY BE MADE irrespective of the rating of such institution's
22 obligations or other similar qualitative standards [described therein,
23 and] APPLICABLE UNDER SUCH PARAGRAPHS, OR (4) UP TO TEN PERCENT OF
24 SURPLUS FUNDS, IN THE TYPES OF SECURITIES OR INVESTMENTS DESCRIBED IN
25 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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1 FOUR HUNDRED FOUR OF THE INSURANCE LAW IRRESPECTIVE OF THE RATING OF
2 SUCH INSTITUTION'S OBLIGATIONS OR OTHER SIMILAR QUALITATIVE STANDARDS,
3 OR (5) up to fifteen percent of surplus funds, in securities or invest-
4 ments which do not otherwise qualify for investment under this section
5 as shall be made with the care, prudence and diligence under the circum-
6 stances then prevailing that a prudent person acting in a like capacity
7 and familiar with such matters would use in the conduct of an enterprise
8 of a like character and with like aims as provided for the state insur-
9 ance fund under this article, but shall not include any direct deriva-
10 tive instrument or derivative transaction except for hedging purposes.
11 Notwithstanding any other provision in this subdivision, the aggregate
12 amount that the state insurance fund may invest in the types of securi-
13 ties or investments described in paragraphs three, eight and ten of
14 subsection (a) of section one thousand four hundred four of the insur-
15 ance law and as a prudent person acting in a like capacity would invest
16 as provided in this subdivision shall not exceed fifty percent of such
17 surplus funds. FOR PURPOSES OF THIS SUBDIVISION, ANY FUNDS APPROPRIATED
18 PURSUANT TO THE PROVISIONS OF SUBDIVISION ONE OR TWO OF SECTION EIGHTY-
19 SEVEN-F OF THIS ARTICLE SHALL NOT BE CONSIDERED SURPLUS FUNDS.
20 S 2. This act shall take effect immediately.