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

7534--A

Cal. No. 1287

I N S E N A T E

May 9, 2016

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- reported favorably from said committee, ordered to first and second report, amended on second report, ordered to a third reading, and to be reprinted as amended, retaining its place in the order of third reading

AN ACT to amend the insurance law, in relation to filing a report in examination

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

Section 1. Section 311 of the insurance law is amended to read as follows:

S 311. Filing of report on examination. (a) Except as hereinafter provided the superintendent may withhold from public inspection for such time as he deems proper any report on examination made pursuant to section three hundred ten of this article.

(b) (1) AN EXAMINATION SHALL BE CONSIDERED CLOSED WHEN THE REPORT ON EXAMINATION IS ADOPTED BY THE SUPERINTENDENT. Before adopting any such report and filing it for public inspection, the superintendent shall notify the insurer or other person examined of its contents [and], WHETHER ANY FINE WILL BE IMPOSED OR ANY REGULATORY ACTION WILL BE TAKEN AS A RESULT OF THE EXAMINATION AND THE AMOUNT OF ANY FINE TO BE IMPOSED OR NATURE OF ANY REGULATORY ACTION TO BE TAKEN. THE SUPERINTENDENT shall ALSO afford such insurer or other person a reasonable opportunity to obtain further details and to demand a hearing with reference to facts, conclusions or recommendations [therein] contained IN THE REPORT, OR ANY FINE TO BE IMPOSED OR REGULATORY ACTION TO TAKEN AS A RESULT OF THE EXAMINATION.

(2) If a hearing is requested within ten days after [the giving] RECEIPT of [such] THE notice REQUIRED PURSUANT TO PARAGRAPH ONE OF THIS SUBSECTION, the superintendent shall give notice and a hearing in accordance with the provisions of this article. Such hearing shall be held before the superintendent or a deputy superintendent.

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

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(c) The report on examination, with modifications thereof, if any, shall be [accepted] ADOPTED by the superintendent and filed for public inspection within six months after WRITTEN ACCEPTANCE OF THE REPORT BY THE INSURER OR OTHER PERSON EXAMINED, OR THE final hearing thereon [and if he]. IF THE SUPERINTENDENT deems it in the public interest to do so, he OR SHE may publish any such report or any excerpt therefrom or summary thereof, in one or more newspapers in the state.

(d) In any action or proceeding in the name of the people against the insurer or other person examined, or any officer or agent thereof, such report, if adopted by the superintendent and filed for public inspection, shall be admissible in evidence and shall be presumptive evidence of the facts stated therein.

(e) NO FINE MAY BE IMPOSED ON OR REGULATORY ACTION TAKEN AGAINST AN INSURER AS A RESULT OF AN EXAMINATION UNLESS THE AMOUNT OF THE FINE OR THE NATURE OF THE REGULATORY ACTION WAS DISCLOSED IN THE NOTICE REQUIRED IN PARAGRAPH ONE OF SUBSECTION (B) OF THIS SECTION.

(F) Nothing herein contained shall preclude the superintendent from instituting any proceeding under article seventy-four of this chapter at any time or from using as proof in such proceeding any report on examination or part thereof, whether or not such report has been adopted and filed.

S 2. This act shall take effect immediately.