

7535

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

AN ACT to amend the insurance law, in relation to the valuation of life insurance policies and contracts

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 4217 of the insurance law, as amended by chapter 22 of the laws of 1994, is amended to
2 read as follows:
3
4 (1) The superintendent shall annually [value, or] cause EVERY LIFE
5 INSURANCE COMPANY DOING BUSINESS IN THIS STATE to [be valued,] VALUE the
6 reserve liabilities (hereinafter called reserves) for all ITS outstanding
7 insurance policies and contracts [of every life insurance company
8 doing business in this state], except that, in the case of an alien
9 company, such valuation shall be limited to its United States business[,
10 and may]. THE SUPERINTENDENT SHALL certify the amount of any such
11 reserves, specifying the mortality table or tables, rate or rates of
12 interest and methods (net level premium method or other) used in the
13 calculation of such reserves, UNLESS THE SUPERINTENDENT DETERMINES THAT
14 THE MEMORANDUM PREPARED PURSUANT TO PARAGRAPH THREE OF SUBSECTION (E) OF
15 THIS SECTION TO SUPPORT THE ACTUARIAL OPINION OF RESERVES REQUIRED BY
16 PARAGRAPH ONE OF SUBSECTION (E) OF THIS SECTION FAILS TO MEET THE STAND-
17 ARDS PRESCRIBED BY REGULATION. In calculating such reserves, [the
18 superintendent] LIFE INSURANCE COMPANIES may use group methods and
19 approximate averages for fractions of a year or otherwise.
20 S 2. Paragraph 1 of subsection (e) of section 4217 of the insurance
21 law, as added by chapter 22 of the laws of 1994, is amended to read as
22 follows:
23 (1) General. Every life insurance company doing business in this state
24 shall annually submit the opinion of a qualified actuary as to whether
25 the reserves and related actuarial items held in support of the policies
26 and contracts specified by the superintendent by regulation are computed
27 appropriately, are based on assumptions which satisfy contractual
28 provisions, are consistent with prior reported amounts and comply with

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

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1 applicable laws of this state. The superintendent [by regulation] shall
2 define the specifics of this opinion and add any other items deemed to
3 be necessary to its scope SOLELY BY REGULATION.

4 S 3. Subparagraph (C) of paragraph 4 of subsection (e) of section 4217
5 of the insurance law, as added by chapter 22 of the laws of 1994, is
6 amended to read as follows:

7 (C) The opinion shall be based on standards adopted from time to time
8 by the Actuarial Standards Board and on such additional standards as the
9 superintendent may by regulation prescribe. THE SUPERINTENDENT SHALL
10 NOT PRESCRIBE ANY ASSUMPTIONS OR OTHER ADDITIONAL STANDARDS TO BE USED
11 BY THE QUALIFIED ACTUARY WHEN FORMING THE OPINION BEYOND THOSE
12 PRESCRIBED BY REGULATION.

13 S 4. Paragraph 4 of subsection (f) of section 4217 of the insurance
14 law, as added by chapter 22 of the laws of 1994, is amended to read as
15 follows:

16 (4) [Without the specific approval of the superintendent subject to
17 such conditions as he may prescribe and as provided by regulation, an
18 insurer shall not] AN INSURER MAY aggregate the reserves referred to in
19 [two or more of paragraph] PARAGRAPHS one, two [or] AND three of this
20 subsection. [Such regulation may prescribe the conditions under which
21 the valuation of two or more classes of business of insurance or the
22 valuation of all of its insurance business to which this section applies
23 may be combined.] THE SUPERINTENDENT MAY, SOLELY BY REGULATION, REQUIRE
24 INSURERS TO SHOW THE RESULTS OF ASSET ADEQUACY ANALYSIS AS TO THE
25 ADEQUACY OF RESERVES REFERRED TO IN PARAGRAPHS ONE, TWO AND THREE OF
26 THIS SUBSECTION SEPARATELY IN THE ACTUARIAL MEMORANDUM PREPARED PURSUANT
27 TO PARAGRAPH THREE OF SUBSECTION (E) OF THIS SECTION, BUT MAY NOT
28 PROHIBIT INSURERS FROM AGGREGATING THE RESERVES REFERRED TO IN PARA-
29 GRAPHS ONE, TWO AND THREE OF THIS SUBSECTION FOR THE PURPOSES OF MEETING
30 THE MINIMUM STANDARDS FOR THE VALUATION OF LIFE INSURANCE POLICIES,
31 ANNUITIES AND GUARANTEED INVESTMENT CONTRACTS, AND INDIVIDUAL AND GROUP
32 ACCIDENT AND HEALTH INSURANCE POLICIES.

33 S 5. This act shall take effect immediately.