

STATE OF NEW YORK

2525--A

2017-2018 Regular Sessions

IN SENATE

January 13, 2017

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 annuity dividend reinvestment

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph 6 of subsection (b) of section 4231 of the insurance law is amended to read as follows:

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3 (6) In the case of any individual term policy [~~and of every individual~~
4 ~~participating annuity~~], other than an annuity described in paragraph
5 eight of this subsection, or pure endowment contract, the dividends so
6 apportioned shall be applicable, at the election of the holder of such
7 policy or contract, in accordance with the options specified in subparagraph (A) or (B) of paragraph one [~~hereof~~] of this subsection or if the
8 policy or contract so provides, subparagraph (D) of paragraph one [~~hereof~~]
9 ~~of this subsection~~. In the case of any such term policy or annuity
10 or pure endowment contract, the requirement as to notice of election
11 hereinbefore specified shall be applicable, but the option which shall
12 be applied in case the holder of such contract fails to make such
13 election shall be determined by the company with the approval of the
14 superintendent.

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16 § 2. Paragraph 7 of subsection (b) of section 4231 of the insurance law is amended to read as follows:

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18 (7) In the case of any participating group policy of life insurance or
19 any participating group or blanket policy of accident and health insurance, or of any participating group annuity contract, other than an
20 annuity described in paragraph eight of this subsection, the dividend so
21 apportioned shall, at the option of the policyholder or holder of the
22 master contract, be applied pursuant to subparagraph (A) or (B) of paragraph
23

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

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graph one ~~[hereof]~~ of this subsection. Any dividend so apportioned on any such participating group insurance policy, or any rate reduction made or continued on any non-participating group insurance policy for the first or any subsequent year of insurance under any such policy issued to an employer, may be applied to reduce the employer's part of the cost of such policy, except that the excess, if any, of the employees' aggregate contribution under the policy over the net cost of the insurance shall be applied by the employer for the sole benefit of the employees.

§ 3. Subsection (b) of section 4231 of the insurance law is amended by adding a new paragraph 8 to read as follows:

(8) In the case of any individual or group participating immediate annuity and of any individual or group participating deferred annuity in which each consideration paid into the annuity purchases guaranteed paid-up annuity benefits determined at the time the consideration is paid, the dividend so apportioned shall be applicable, at the election of the holder of the individual contract or group certificate, in accordance with the options specified in subparagraph (A), (B) or (C) of paragraph one of this subsection or if the contract or certificate so provides, subparagraph (D) of paragraph one of this subsection.

§ 4. This act shall take effect immediately.