

STATE OF NEW YORK

1477

2017-2018 Regular Sessions

IN SENATE

January 9, 2017

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 read as follows:

2 (1) The superintendent shall annually [~~value, or~~] cause every life
3 insurance company doing business in this state to [~~be valued,~~] value the
4 reserve liabilities (hereinafter called reserves) for all its outstanding
5 insurance policies and contracts [~~of every life insurance company~~
6 ~~doing business in this state~~], except that, in the case of an alien
7 company, such valuation shall be limited to its United States business[~~, and may~~]. The superintendent shall certify the amount of any such
8 reserves, specifying the mortality table or tables, rate or rates of
9 interest and methods (net level premium method or other) used in the
10 calculation of such reserves, unless the superintendent determines that
11 the memorandum prepared pursuant to paragraph three of subsection (e) of
12 this section to support the actuarial opinion of reserves required by
13 paragraph one of subsection (e) of this section fails to meet the stand-
14 ards prescribed by regulation. In calculating such reserves, [~~the~~
15 ~~superintendent~~] life insurance companies may use group methods and
16 approximate averages for fractions of a year or otherwise.

17 § 2. Paragraph 1 of subsection (e) of section 4217 of the insurance law, as added by chapter 22 of the laws of 1994, is amended to read as follows:

18 (1) General. Every life insurance company doing business in this state
19 shall annually submit the opinion of a qualified actuary as to whether
20 the reserves and related actuarial items held in support of the policies
21

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

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1 and contracts specified by the superintendent by regulation are computed
2 appropriately, are based on assumptions which satisfy contractual
3 provisions, are consistent with prior reported amounts and comply with
4 applicable laws of this state. The superintendent [~~by regulation~~] shall
5 define the specifics of this opinion and add any other items deemed to
6 be necessary to its scope solely by regulation.

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

10 (C) The opinion shall be based on standards adopted from time to time
11 by the Actuarial Standards Board and on such additional standards as the
12 superintendent may by regulation prescribe. The superintendent shall
13 not prescribe any assumptions or other additional standards to be used
14 by the qualified actuary when forming the opinion beyond those
15 prescribed by regulation.

16 § 4. Paragraph 4 of subsection (f) of section 4217 of the insurance
17 law, as added by chapter 22 of the laws of 1994, is amended to read as
18 follows:

19 (4) [~~Without the specific approval of the superintendent subject to~~
20 ~~such conditions as he may prescribe and as provided by regulation, an~~
21 ~~insurer shall not~~] An insurer may aggregate the reserves referred to in
22 [~~two or more of paragraph~~] paragraphs one, two [~~or~~] and three of this
23 subsection. [~~Such regulation may prescribe the conditions under which~~
24 ~~the valuation of two or more classes of business of insurance or the~~
25 ~~valuation of all of its insurance business to which this section applies~~
26 ~~may be combined.~~] The superintendent may, solely by regulation, require
27 insurers to show the results of asset adequacy analysis as to the
28 adequacy of reserves referred to in paragraphs one, two and three of
29 this subsection separately in the actuarial memorandum prepared pursuant
30 to paragraph three of subsection (e) of this section, but may not
31 prohibit insurers from aggregating the reserves referred to in para-
32 graphs one, two and three of this subsection for the purposes of meeting
33 the minimum standards for the valuation of life insurance policies,
34 annuities and guaranteed investment contracts, and individual and group
35 accident and health insurance policies.

36 § 5. This act shall take effect immediately.