

STATE OF NEW YORK

3959--A

Cal. No. 675

2017-2018 Regular Sessions

IN SENATE

January 31, 2017

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, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the insurance law, in relation to permitting insurance brokers to engage in certain activities with respect to property and casualty insurance in New York

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

1 Section 1. Subsection (k) of section 2117 of the insurance law, as
2 added by chapter 64 of the laws of 2015, is amended to read as follows:
3 (k)(1) Notwithstanding subsection (a) of this section, any insurance
4 broker licensed under subparagraph (A) of paragraph one of subsection
5 (b) of section two thousand one hundred four of this article with
6 respect to life insurance or annuities, [~~or~~] subparagraph (A) or (B) of
7 paragraph one of subsection (b) of such section with respect to accident
8 and health insurance, or subparagraph (B) of this paragraph with respect
9 to property/casualty insurance may engage in the activities specified in
10 paragraph two of this subsection with respect to an alien insurer not
11 authorized to do an insurance business in this state, provided that:
12 (A) the activities relate to a policy or contract of group life, group
13 annuity, [~~or~~] group accident and health insurance, or property/casualty
14 insurance where the policyholder or proposed policyholder is a multina-
15 tional entity resident outside the United States, the policy or contract
16 covers the multinational entity's liabilities, properties, employees and
17 their dependents, and the liabilities arise, or the properties and
18 employees reside outside of the United States, except that the policy or
19 contract may provide coverage to employees who are temporarily inside
20 the United States;

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

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1 (B) the policy or contract shall not be underwritten or negotiated in
2 this state or issued or delivered in the United States;

3 (C) the alien insurer is authorized to transact the kinds of insurance
4 business in the jurisdictions where the policies or contracts will be
5 issued or delivered and the policies or contracts are issued in conform-
6 ance with the laws of such jurisdictions;

7 (D) before engaging in any of the activities specified in paragraph
8 two of this subsection, the licensed insurance broker provides written
9 notice to the multinational entity that the alien insurer is not
10 licensed in or authorized to do business in this state; the policy or
11 contract is not protected by the New York state guaranty funds; the
12 policy or contract has not been approved by the superintendent; and the
13 policy or contract may not be subject to all of the laws of this state;

14 (E) the alien insurer shall not maintain any office in this state; and

15 (F) except as specifically provided in this section, the licensed
16 insurance broker shall not call attention to the alien insurer by any
17 advertisement or public announcement in this state.

18 (2) Subject to paragraph one of this subsection, the licensed insur-
19 ance broker may engage in this state in only the following activities
20 with respect to the alien insurer:

21 (A) provide information to the multinational entity with respect to a
22 policy or contract of group life, group annuity, ~~[ex]~~ group accident and
23 health insurance, or a property/casualty insurance policy issued or
24 delivered or that will be issued or delivered by the alien insurer;

25 (B) meet and discuss insurance needs with the multinational entity,
26 including providing information directly to the entity in person or
27 otherwise about the policies or contracts offered by the alien insurer;
28 and facilitating introductions with the multinational entity's human
29 resources and benefits manager in each country in which the multina-
30 tional entity has employee benefit needs;

31 (C) refer the multinational entity to the alien insurer and provide
32 information to the multinational entity about the alien insurer;

33 (D) respond to requests for information by representatives of the
34 multinational entity concerning quotes and any other specific terms and
35 conditions of a group life, group annuity, ~~[ex]~~ group accident and
36 health insurance, or property/casualty insurance policy or contract
37 being negotiated in the jurisdiction where the policy or contract will
38 be issued or delivered by the alien insurer;

39 (E) provide information concerning renewals of existing policies or
40 contracts of group life, group annuity, ~~[ex]~~ group accident and health
41 insurance, or a property/casualty insurance policy issued by the alien
42 insurer; and

43 (F) manage the employee benefits program of the multinational entity,
44 including aggregating and reporting employee benefits and financial
45 information about the program.

46 (3) Any activity in which a licensed insurance broker engages with
47 respect to an alien insurer pursuant to this subsection shall be deemed
48 to be included within the meaning of "any other transaction of business"
49 for the purposes of section one thousand two hundred thirteen of this
50 article.

51 (4) For purposes of this subsection:

52 (A) "multinational entity" shall mean an institution that is a member
53 of a multinational group of institutions operating globally where: (i)
54 at least one institution in the group is formed under the laws of the
55 United States or has significant operations in the United States; and

1 (ii) at least one institution in the group has offices outside the
2 United States; and

3 (B) "group of institutions" shall mean a parent corporation and its
4 subsidiaries.

5 § 2. This act shall take effect immediately.