AN ACT to amend the insurance law, in relation to principle based reserves

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

Section 1. Section 4217 of the insurance law is amended by adding a new subsection (g) to read as follows:

(g) (1) This subsection shall apply only to individual and group life insurance policies and annuity contracts issued on or after January first, two thousand eighteen.

(2) For purposes of this subsection, "valuation manual" means the valuation manual adopted by the National Association of Insurance Commissioners on December second, two thousand twelve, as subsequently amended on June eighth, two thousand fifteen, November twenty-second, two thousand fifteen, April sixth, two thousand sixteen, and August twenty-ninth, two thousand sixteen.

(3) Notwithstanding subsection (c) of this section and section four thousand two hundred eighteen of this article, the minimum reserve requirements and the minimum standard for the valuation of all individual and group life insurance policies and annuity contracts issued on or after January first, two thousand eighteen shall be the superintendent's principle based valuation method defined in paragraph four of this subsection and all regulations promulgated thereunder. Nothing contained within this subsection shall lessen the superintendent's powers under any other provisions of this chapter or the financial services law, including, without limitation, the superintendent's powers and obligations to ensure the solvency and fiscal health of insurers and to protect policyholders.

EXPLANATION—Matter in italics (underscored) is new; matter in brackets [—] is old law to be omitted.
(4) (A) The superintendent's principle based valuation method shall be
the reserve standards, valuation methods, assumptions, and related
requirements set forth in regulations to be promulgated by the super-
intendent.

(B) Subject to subparagraphs (C) and (D) of this paragraph, the regu-
lations establishing the superintendent’s principle based valuation
method shall utilize the reserve standards, valuation methods, and
related requirements in the valuation manual.

(C) The regulations establishing the superintendent’s principle based
valuation method may deviate from any of the reserve standards, valu-
ation methods, assumptions, and related requirements in the valuation
manual if the superintendent determines that an alternative reserve
standard, valuation method, assumption, and/or related requirement is
reasonably necessary to protect policyholders or the people of this
state.

(D) The regulations establishing the superintendent’s principle based
valuation method may deviate from the reserve standards, valuation meth-
ods, and related requirements in the valuation manual if the superinten-
dent determines that an amendment to the valuation manual adopted by the
National Association of Insurance Commissioners after August twenty-
ninth, two thousand sixteen, is reasonably necessary to protect policy-
holders or the people of this state and should be incorporated into the
superintendent's principle based valuation method.

§ 2. This act shall take effect immediately.