

STATE OF NEW YORK

6638

2017-2018 Regular Sessions

IN SENATE

June 9, 2017

Introduced by Sen. HELMING -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the workers' compensation law, in relation to the investment of surplus of the state insurance fund

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

1 Section 1. Subdivision 2 of section 87 of the workers' compensation
2 law, as added by section 20 of part GG of chapter 57 of the laws of
3 2013, is amended to read as follows:

4 2. Any of the surplus funds belonging to the state insurance fund, by
5 order of the commissioners, approved by the superintendent of financial
6 services, may be invested (1) in the types of securities described in
7 subdivisions one, two, three, four, five, six, eleven, twelve, twelve-a,
8 thirteen, fourteen, fifteen, nineteen, twenty, twenty-one, twenty-one-a,
9 twenty-four, twenty-four-a, twenty-four-b, twenty-four-c and twenty-five
10 of section two hundred thirty-five of the banking law, or (2) in the
11 types of obligations described in paragraph two of subsection (a) of
12 section one thousand four hundred four of the insurance law except that
13 up to twenty-five percent of surplus funds may be invested in obli-
14 gations rated investment grade by a nationally recognized securities
15 rating organization, or ~~or~~ (3) up to fifty percent of surplus funds, in
16 the types of securities or investments described in paragraphs ~~[two,~~
17 three, eight and ten of subsection (a) of section one thousand four
18 hundred four of the insurance law, except that ~~[up to ten percent of~~
19 ~~surplus funds may be invested]~~ investments in ~~[the securities of any~~
20 ~~solvent American institution as described in such paragraphs]~~ diversi-
21 fied index funds and accounts may be made irrespective of the rating ~~[of~~
22 ~~such institution's obligations]~~ or other similar qualitative standards
23 ~~[described therein, and]~~ applicable under such paragraphs, or (4) up to
24 ten percent of surplus funds, in the types of securities or investments
25 described in paragraphs two, three and ten of subsection (a) of section

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

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1 one thousand four hundred four of the insurance law irrespective of the
2 rating of such institution's obligations or other similar qualitative
3 standard, or (5) up to fifteen percent of surplus funds in securities or
4 investments which do not otherwise qualify for investment under this
5 section as shall be made with the care, prudence and diligence under the
6 circumstances then prevailing that a prudent person acting in a like
7 capacity and familiar with such matters would use in the conduct of an
8 enterprise of a like character and with like aims as provided for the
9 state insurance fund under this article, but shall not include any
10 direct derivative instrument or derivative transaction except for hedg-
11 ing purposes. Notwithstanding any other provision in this subdivision,
12 the aggregate amount that the state insurance fund may invest in the
13 types of securities or investments described in paragraphs three, eight
14 and ten of subsection (a) of section one thousand four hundred four of
15 the insurance law and as a prudent person acting in a like capacity
16 would invest as provided in this subdivision shall not exceed fifty
17 percent of such surplus funds. For purposes of this subdivision, any
18 funds appropriated pursuant to the provisions of subdivision one or two
19 of section eighty-seven-f of this article shall not be considered
20 surplus funds.

21 § 2. This act shall take effect immediately.