

STATE OF NEW YORK

8024

IN SENATE

March 20, 2018

Introduced by Sen. SEWARD -- (at request of the Department of Financial Services) -- 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 principle based reserves

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

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

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

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

12 (3) Notwithstanding subsection (c) of this section and section four
13 thousand two hundred eighteen of this article, the minimum reserve
14 requirements and the minimum standard for the valuation of all individ-
15 ual and group life insurance policies and annuity contracts issued on or
16 after January first, two thousand nineteen shall be the superintendent's
17 principle based valuation method defined in paragraph four of this
18 subsection.

19 (4) (A) Except as provided in subparagraphs (B) and (C) of this para-
20 graph, the superintendent's principle based valuation method shall be
21 the reserve standards, valuation methods, and related requirements in
22 the Valuation Manual.

23 (B) The superintendent's principle based valuation method may deviate
24 from the reserve standards, valuation methods, and related requirements
25 in the Valuation Manual if the superintendent in a regulation determines
26 that an alternative reserve standard, valuation method, and/or related

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

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1 requirement would be in the best interests of the policyholders and the
2 people of the state.

3 (C) The superintendent's principle based valuation method may deviate
4 from the reserve standards, valuation methods, and related requirements
5 in the Valuation Manual if the superintendent in a regulation determines
6 that an amendment to the Valuation Manual adopted by the National Asso-
7 ciation of Insurance Commissioners after August twenty-ninth, two thou-
8 sand sixteen, should be incorporated into the superintendent's principle
9 based valuation method.

10 § 2. This act shall take effect immediately.