STATE OF NEW YORK

7701

2021-2022 Regular Sessions

IN ASSEMBLY

May 20, 2021

Introduced by M. of A. HUNTER -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to improving insurance consumer servicing options

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

Section 1. Subparagraph (C) of paragraph 2 of subsection (b) of section 1101 of the insurance law is amended to read as follows:

(C) transactions involving the continuance or servicing of life or accident and health insurance policies or annuity contracts lawfully issued or delivered in this state by an authorized insurer and occurring subsequent to the termination of such insurer's authority to do an insurance business in this state**. Notwithstanding the foregoing, the superintendent's approval granted pursuant to section one thousand one hundred five of this article may authorize transactions involving the continuance or servicing of life insurance policies or annuity contracts to be effected from outside this state by telephone, video call, facsimile, web portal, electronic transfer of funds, or by any other electronic means approved by the superintendent, provided that the insurer shall not have any other contact or interaction with a person in this state other than as specified and in the manner provided in this paragraph**;

§ 2. Subparagraph (D) of paragraph 2 of subsection (b) of section 1101 of the insurance law is amended to read as follows:

(D) transactions with respect to policies or annuity contracts lawfully issued without this state occurring subsequent to issue, if, at the time of issue, such policies or contracts covered subjects of insurance or risks not resident or located in this state**. Notwithstanding the foregoing, transactions described in this subparagraph involving the continuance or servicing of life insurance policies or annuity contracts may be effected from outside this state by telephone, video call, facsimile, web portal, electronic transfer of funds, or by any other**

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

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electronic means approved by the superintendent, provided that the insurer shall not have any other contact or interaction with a person in this state other than as specified and in the manner provided in this paragraph;

§ 3. Section 1105 of the insurance law is amended to read as follows:

§ 1105. Voluntarily ceasing to maintain license. When an authorized insurer proposes to cease to maintain its existing licensing status in this state, the insurer shall at least forty-five days prior to such proposed action submit to the superintendent a plan to protect the interests of the people of this state. Such proposed action shall not become effective without the approval of such plan by the superintendent. The plan shall include requirements and procedures for meeting the insurer's contractual obligations, providing security protection in the event of a subsequent insolvency, and meeting any applicable statutory obligations, including its obligations pursuant to articles fifty-three, fifty-four and fifty-five of this chapter. Such plan shall be in compliance with a regulation to be promulgated by the superintendent. **A plan may request that the insurer be permitted to continue or service a life insurance policy or annuity contract from outside this state by telephone, video call, facsimile, web portal, electronic transfer of funds, or by any other electronic means as approved by the superintendent pursuant to subparagraph (C) of paragraph two of subsection (b) of section one thousand one hundred one of this article.** In order to protect the interests of the people of this state, the superintendent may require the deposit of securities in this state, in trust, in the name of the superintendent.

§ 4. This act shall take effect immediately.