

STATE OF NEW YORK

5668--A

2021-2022 Regular Sessions

IN SENATE

March 15, 2021

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

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

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

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

18 (D) transactions with respect to policies or annuity contracts
19 lawfully issued without this state occurring subsequent to issue, if, at
20 the time of issue, such policies or contracts covered subjects of insur-
21 ance or risks not resident or located in this state. Notwithstanding
22 the foregoing, transactions described in this subparagraph involving the
23 continuance or servicing of life insurance policies or annuity contracts

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

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1 may be effected from outside this state by telephone, video call,
2 facsimile, web portal, electronic transfer of funds, or by any other
3 electronic means approved by the superintendent, provided that the
4 insurer shall not have any other contact or interaction with a person in
5 this state other than as specified and in the manner provided in this
6 paragraph;

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

8 § 1105. Voluntarily ceasing to maintain license. When an authorized
9 insurer proposes to cease to maintain its existing licensing status in
10 this state, the insurer shall at least forty-five days prior to such
11 proposed action submit to the superintendent a plan to protect the
12 interests of the people of this state. Such proposed action shall not
13 become effective without the approval of such plan by the superinten-
14 dent. The plan shall include requirements and procedures for meeting the
15 insurer's contractual obligations, providing security protection in the
16 event of a subsequent insolvency, and meeting any applicable statutory
17 obligations, including its obligations pursuant to articles fifty-three,
18 fifty-four and fifty-five of this chapter. Such plan shall be in compli-
19 ance with a regulation to be promulgated by the superintendent. A plan
20 may request that the insurer be permitted to continue or service a life
21 insurance policy or annuity contract from outside this state by tele-
22 phone, video call, facsimile, web portal, electronic transfer of funds,
23 or by any other electronic means as approved by the superintendent
24 pursuant to subparagraph (C) of paragraph two of subsection (b) of
25 section one thousand one hundred one of this article. In order to
26 protect the interests of the people of this state, the superintendent
27 may require the deposit of securities in this state, in trust, in the
28 name of the superintendent.

29 § 4. This act shall take effect immediately.