STATE OF NEW YORK

9128--A

IN ASSEMBLY

January 31, 2022

Introduced by M. of A. STERN -- read once and referred 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 authorizing dividend paying deferred income annuities

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

Section 1. Subparagraph (E) of paragraph 1 of subsection (a) of section 4223 of the insurance law, as amended by chapter 864 of the laws of 1985, is amended to read as follows:

(E) [~~A~~] **(i) Except as provided in clause (ii) of this subparagraph, a** statement that the annuity benefits at the time of their commencement will not be less than those that would be provided by the application of an amount, hereinafter defined, to purchase any single consideration immediate annuity contract offered by the company at the time to the same class of annuitants. For contracts that provide cash surrender benefits, such amount shall be the greater of the cash surrender benefit or ninety-five percent of what the cash surrender benefit would be if there were no withdrawal charge. For contracts that do not provide cash surrender benefits, such amount shall be the present value of the paid-up annuity benefit provided under the contract in accordance with subsection (d) of this section.

[~~This statement will not affect the amount of any benefits required to be provided under any other provision of this section.~~]

(ii) For paid-up deferred annuity contracts in which each consideration paid into the contract purchases guaranteed paid-up annuity benefits determined at the time the consideration is paid, a statement that the annuity benefits at the time each consideration is paid will not be less than those that would be provided by the application of the consideration to current purchase rates for new sales of such contract or any comparable paid-up deferred annuity contract offered by the company at that time to the same class of annuitants. For purposes of this item, dividends applied to purchase paid-up additions to the contract shall be treated as considerations paid into the contract. This statement shall

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

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not affect the amount of any benefits required to be provided under any other provision of this section.

§ 2. Subsection (b) of section 3209 of the insurance law is amended by adding a new paragraph 3 to read as follows:

(3) No participating dividend-paying paid-up deferred annuity contract shall be delivered or issued for delivery in this state unless a prospective purchaser is provided with a disclosure statement, no later than at the time of application, containing the following:

(A) a statement indicating that dividends are not guaranteed under the participating dividend-paying paid-up deferred annuity contract and the income is therefore not guaranteed to increase from the dollar amount set at the time of issue; and

(B) a statement indicating that the initial income under a participating dividend-paying paid-up deferred annuity contract may be lower than the initial income under a fully guaranteed paid-up deferred annuity contract.

§ 3. This act shall take effect immediately.