STATE OF NEW YORK

3568

2021-2022 Regular Sessions

IN SENATE

January 30, 2021

Introduced by Sen. BRESLIN -- 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 the limitation on the accumulation of surplus of life insurance companies

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

Section 1. Paragraphs 1 and 2 of subsection (a) section 4219 of the insurance law, as amended by chapter 340 of the laws of 2005, are amended and a new subsection (d) is added to read as follows:

(1) Any domestic mutual life insurance company may maintain a surplus, above all of its reserves and liabilities required or specifically permitted by this chapter, not exceeding the greatest of (A) eight hundred fifty thousand dollars, or (B) [~~ten~~] twenty percent of its policy reserves and policy liabilities, or (C) [~~ten~~] twenty percent of its policy reserves and policy liabilities plus (i) the product of three and its authorized control level RBC as determined in accordance with section one thousand three hundred twenty-two of this chapter minus (ii) the asset valuation reserve as reported in its annual statement, or (D) the minimum amount of capital and surplus required by law of another state in which the company is authorized to do business.

(2) Any domestic stock life insurance company issuing participating policies only or both participating and non-participating policies or contracts in accordance with subsection (f) of section four thousand two hundred thirty-one of this article, may maintain a participating policyholders' surplus, above all of its reserves and liabilities arising out of participating policies, required or specifically permitted by the provisions of this chapter, not exceeding the greatest of (A) two hundred fifty thousand dollars, or (B) [~~ten~~] twenty percent of such policy reserves and such policy liabilities, or (C) [~~ten~~] twenty percent of such policy reserves and policy liabilities plus the amount derived by prorating, based upon the ratio of participating assets to admitted

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

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assets, (i) the product of three and its authorized control level RBC as determined in accordance with section one thousand three hundred twenty-two of this chapter minus (ii) the asset valuation reserve as reported in its annual statement.

(d) Notwithstanding any other provision of this chapter, the amount of any funds advanced or borrowed by any domestic insurer pursuant to section one thousand three hundred seven of this chapter shall be excluded from the calculation of the maximum surplus prescribed by subsection (a) of this section.

§ 2. Section 1307 of the insurance law is amended by adding a new subsection (e) to read as follows:

(e) Any sum so advanced or borrowed shall be excluded from the calculation of the maximum surplus prescribed by subsection (a) of section four thousand two hundred nineteen of this chapter.

§ 3. This act shall take effect immediately.