STATE OF NEW YORK

2199

2023-2024 Regular Sessions

IN ASSEMBLY

January 23, 2023

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

AN ACT to amend the insurance law, in relation to annuity benefits

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 a chapter of the laws of 2022 amending the insurance law relating to authorizing dividend paying deferred income annuities, as proposed in legislative bills numbers S. 7744-A and A. 9128-A, is amended to read as follows:

(E) (i) Except as provided in [~~clause~~] item (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.

(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,

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

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dividends applied to purchase paid-up additions to the contract shall be treated as considerations paid into the contract. [~~This statement~~]

(iii) The statements set forth in items (i) and (ii) of this subparagraph shall not affect the amount of any benefits required to be provided under any other provision of this section.

§ 2. This act shall take effect on the same date and in the same manner as a chapter of the laws of 2022 amending the insurance law relating to authorizing dividend paying deferred income annuities, as proposed in legislative bills numbers S. 7744-A and A. 9128-A, takes effect.