STATE OF NEW YORK

3673

2023-2024 Regular Sessions

IN ASSEMBLY

February 3, 2023

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

AN ACT to amend the insurance law, in relation to limiting certain regulations or orders promulgated by the superintendent; and providing for the repeal of certain provisions upon expiration thereof

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

Section 1. Legislative findings and intent. The legislature hereby finds that term life insurance products are a primary vehicle for the financial security and protection of the families of many New Yorkers. Furthermore, the legislature finds that New York is trailing behind the rest of the country in the sale of term life insurance products. Therefore, it is the intent of the legislature to help to create more opportunities for the availability of term life insurance policies in New York.

§ 2. The insurance law is amended by adding a new section 4227 to read as follows:

§ 4227. Limitations on the superintendent. (a) Notwithstanding any other provision of law, the superintendent is prohibited from promulgating any regulation, rule, advisory or otherwise imposing any suitability, best interest or fiduciary standard, or enforcing any such regulation, rule, advisory or otherwise, pertaining to the provision of counsel, advice or a recommendation to a consumer or potential consumer of term life insurance, by a licensed insurance agent or broker, or a life insurance company authorized to do business in this state, in conjunction with the purchase of a term life insurance policy, as that term is defined in this chapter, or in conjunction with the exercise of any right or contractual option or amendment pursuant to the provisions of any such policy, when the insured face amount of such policy, or potential policy is of one million dollars or less.

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

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(b) Any provision of the superintendent's regulations or orders in effect on the effective date of this section which may be contrary to this section shall be deemed null and void. Particularly, any provision of 11 NYCRR Part 224 contrary to this section shall be null and void and the superintendent shall amend such regulation accordingly, by the consensus regulatory process.

§ 3. By July 1, 2024, the superintendent of the department of financial services shall submit to the governor, the temporary president of the senate and the speaker of the assembly, a report on any effects that its suitability and best interest in life insurance and annuity transaction regulations have had on the term life insurance market, including, but not limited to, whether such regulations have contributed to declining availability of such products.

§ 4. This act shall take effect immediately; provided, however, that section two of this act shall expire and be deemed repealed on December 31, 2024 or on the one hundred eightieth day after the issuance of the report described in section three of this act, whichever date is later, provided that the department of financial services shall notify the legislative bill drafting commission upon the completion of the report described in section three of this act in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effecting the provisions of section 44 of the legislative law and section 70-b of the public officers law.