

STATE OF NEW YORK

4254

2025-2026 Regular Sessions

IN ASSEMBLY

January 31, 2025

Introduced by M. of A. McDONALD, WEPRIN, STIRPE, SAYEGH, STECK, BLANKEN-
BUSH -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to mortgage guaranty
insurance

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

1 Section 1. Paragraph 2 of subsection (a) of section 6502 of the insur-
2 ance law is amended to read as follows:
3 (2) it establishes a contingency reserve out of net premiums (gross
4 premiums less premiums returned to policyholders) remaining after estab-
5 lishing the unearned premium reserve. The company shall contribute to
6 the contingency reserve an amount equal to fifty percent of such remain-
7 ing earned premiums. Contributions to the contingency reserve made
8 during each calendar year shall be maintained for a period of one
9 hundred and twenty months, except that withdrawals may be made by the
10 company with the prior approval of the superintendent in any year in
11 which the actual incurred losses exceed thirty-five percent of the
12 corresponding earned premiums or as otherwise may be permitted by the
13 superintendent if after due consideration the superintendent determines
14 the withdrawal shall not be harmful to policyholders. The unearned
15 premium reserve shall be computed as required by section one thousand
16 three hundred five of this chapter except that on policies covering a
17 risk period of more than one year it shall be computed in accordance
18 with standards promulgated by the superintendent; and
19 § 2. This act shall take effect immediately.

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

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