STATE OF NEW YORK

10017

IN SENATE

April 22, 2026

Introduced by Sen. BAILEY -- 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 indexing fixed amounts and clarifying compliance for certain life insurance and annuity businesses; and to repeal certain provisions of such law relating to obsolete language and unnecessary filing requirements

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

Section 1. Subparagraph (G) of paragraph 3 of subsection (e) of section 4228 of the insurance law, as amended by chapter 427 of the laws of 2025, is amended to read as follows:

(G) The superintendent shall [~~periodically~~] adjust the cumulative maximum training allowance subsidy limits set forth in this paragraph **on January first of each year by increasing the previous year's limits by the percentage adjustment of the annual minimum wage as provided by subdivision one-b of section six hundred fifty-two of the labor law**. The superintendent may also, at any time, approve training allowance subsidies with cumulative maximum amounts that exceed the limits set forth in this paragraph.

§ 2. Paragraph 6 of subsection (e) of section 4228 of the insurance law, as amended by chapter 427 of the laws of 2025, is amended to read as follows:

(6) A company, including any person, firm or corporation on its behalf or under any agreement with it, may pay or award, or permit to be paid or awarded, prizes and awards to agents and brokers pursuant to a plan of agent or broker compensation, provided that no single prize or award may exceed a value of five hundred dollars, and that the total value of such prizes and awards paid or awarded to any agent or broker within a calendar year may not exceed two thousand dollars. Notwithstanding the foregoing, a company may also pay or award not more frequently than monthly a prize or award valued at not more than fifty dollars. The costs of all such prizes and awards shall not be included in applying the limits established in subsection (d) of this section. The superintendent may authorize higher limits on the value of prizes and awards

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

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than those set forth herein. **On and after January first, two thousand twenty-seven, the superintendent shall authorize higher limits on the value of prizes and awards under this section on January first of each year by increasing the previous year's limits by the percentage adjustment of the annual minimum wage as provided by subdivision one-b of section six hundred fifty-two of the labor law.**

§ 3. Subparagraph (E) of paragraph 1 of subsection (f) of section 4228 of the insurance law, as added by chapter 616 of the laws of 1997, is amended to read as follows:

(E) All filings and related correspondence shall be proprietary and confidential, and not disclosed by the superintendent. **Nothing contained in this section or any other provision of law shall prohibit a company from making changes to any compensation payable on policies or contracts that are in force and subject to an existing plan, provided that the changed compensation meets the applicable requirements of subsections (d) and (e) of this section. A company shall be permitted to make such changes, and changes whose effect is to increase or otherwise change, but not reduce, the compensation shall be set forth pursuant to a compensation plan that is filed in accordance with the same requirements of this section that would apply if such compensation applied only prospectively to new business.** Changes whose effect is to reduce or not increase the compensation payable to every individual covered by the arrangement in each and every year, need not be filed with the superintendent, but must be maintained in the company's records for at least six years.

§ 4. Subsection (g) of section 4228 of the insurance law is REPEALED.

§ 5. Subparagraph (A) of paragraph 1 of subsection (f) of section 4228 of the insurance law is REPEALED.

§ 6. Paragraph 2 of subsection (c) of section 4228 of the insurance law, as added by chapter 616 of the laws of 1997, subparagraphs (D) and (F) as amended by chapter 427 of the laws of 2025 and subparagraphs (E) and (G) as amended by chapter 13 of the laws of 2002, is amended to read as follows:

(2) Total selling expenses shall include the following expenses incurred directly or indirectly by the company, without regard to whether they are incurred in the company's home office or in a field or regional office:

(A) commissions;

(B) the increase during the year in the amount of outstanding advances and loans to agents, including any accrued and unpaid interest thereon, and including amounts charged off by the company, however, if such amount is negative, it shall be treated as a reduction of the amount of total selling expenses;

(C) [~~the expense of direct solicitation advertising that either includes an application or solicits a response to obtain an application for a policy or contract regulated under this section;~~

~~(D)~~] distribution, marketing and sales support expenses directly related to the procurement of new business[~~, which includes but is not limited to~~]:

(i) recruiting and training of agents, including related recordkeeping;

(ii) sales management and supervision; and

(iii) clerical functions in sales offices;

[~~(E)~~] **(D)** any expense allowance paid to the agent or broker by the company or any expenses of the agent, agency or broker, assumed or reimbursed by the company;

[~~(F)~~] **(E)** the travel expenses, meals and entertainment paid for by the company; and

[~~(G)~~] **(F)** all other compensation paid to or expense incurred on behalf of active and retired agents and brokers, including the cost of any security benefits**, but excluding any annual marketing or distribution fee on a mutual fund or any portion thereof received by the company pursuant to Rule 12b-1 under the Investment Company Act of 1940, 17 C.F.R. 270.12b-1, which is then paid by the company to the agent or broker**.

§ 7. This act shall take effect immediately.