

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:

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

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

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

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

LBD15636-01-6

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

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

10 (E) All filings and related correspondence shall be proprietary and
 11 confidential, and not disclosed by the superintendent. Nothing contained
 12 in this section or any other provision of law shall prohibit a company
 13 from making changes to any compensation payable on policies or contracts
 14 that are in force and subject to an existing plan, provided that the
 15 changed compensation meets the applicable requirements of subsections
 16 (d) and (e) of this section. A company shall be permitted to make such
 17 changes, and changes whose effect is to increase or otherwise change,
 18 but not reduce, the compensation shall be set forth pursuant to a
 19 compensation plan that is filed in accordance with the same requirements
 20 of this section that would apply if such compensation applied only pros-
 21 pectively to new business.

22 Changes whose effect is to reduce or not increase the compensation paya-
 23 ble to every individual covered by the arrangement in each and every
 24 year, need not be filed with the superintendent, but must be maintained
 25 in the company's records for at least six years.

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

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

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

34 (2) Total selling expenses shall include the following expenses
 35 incurred directly or indirectly by the company, without regard to wheth-
 36 er they are incurred in the company's home office or in a field or
 37 regional office:

38 (A) commissions;

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

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

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

50 (i) recruiting and training of agents, including related recordkeep-
 51 ing;

52 (ii) sales management and supervision; and

53 (iii) clerical functions in sales offices;

54 [~~E)]~~ (D) any expense allowance paid to the agent or broker by the
 55 company or any expenses of the agent, agency or broker, assumed or reim-
 56 bursed by the company;

1 [~~F~~] (E) the travel expenses, meals and entertainment paid for by the
2 company; and
3 [~~G~~] (F) all other compensation paid to or expense incurred on behalf
4 of active and retired agents and brokers, including the cost of any
5 security benefits, but excluding any annual marketing or distribution
6 fee on a mutual fund or any portion thereof received by the company
7 pursuant to Rule 12b-1 under the Investment Company Act of 1940, 17
8 C.F.R. 270.12b-1, which is then paid by the company to the agent or
9 broker.
10 § 7. This act shall take effect immediately.