STATE OF NEW YORK

5311

2025-2026 Regular Sessions

IN SENATE

February 20, 2025

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 mortgage guaranty insurance

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

Section 1. Paragraph 2 of subsection (a) of section 6502 of the insurance law is amended to read as follows:

(2) it establishes a contingency reserve out of net premiums (gross premiums less premiums returned to policyholders) remaining after establishing the unearned premium reserve. The company shall contribute to the contingency reserve an amount equal to fifty percent of such remaining earned premiums. Contributions to the contingency reserve made during each calendar year shall be maintained for a period of one hundred and twenty months, except that withdrawals may be made by the company with the prior approval of the superintendent in any year in which the actual incurred losses exceed thirty-five percent of the corresponding earned premiums **or as otherwise may be permitted by the superintendent if after due consideration the superintendent determines the withdrawal shall not be harmful to policyholders**. The unearned premium reserve shall be computed as required by section one thousand three hundred five of this chapter except that on policies covering a risk period of more than one year it shall be computed in accordance with standards promulgated by the superintendent; and

§ 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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