

STATE OF NEW YORK

7144

2025-2026 Regular Sessions

IN SENATE

April 1, 2025

Introduced by Sen. HOYLMAN-SIGAL -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, the public authorities law and the tax law, in relation to authorizing the New York convention center operating corporation to create a pure captive insurance company

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

1 Section 1. Subsections (e) and (g) of section 7002 of the insurance
2 law, as amended by chapter 193 of the laws of 2022, are amended to read
3 as follows:

4 (e) "Industrial insured" means an insured:

5 (1) whose net worth exceeds one hundred million dollars;

6 (2) who is a member of a holding company system whose net worth
7 exceeds one hundred million dollars;

8 (3) who is the metropolitan transportation authority and its statutory
9 subsidiaries. When filing an application to form a pure captive insur-
10 ance company the metropolitan transportation authority shall submit
11 written notice of such filing to the governor, the temporary president
12 of the senate and the speaker of the assembly;

13 (4) who is the power authority of the state of New York and any statu-
14 tory subsidiary thereof. When filing an application to form a pure
15 captive insurance company the power authority shall submit written
16 notice of such filing to the governor, the temporary president of the
17 senate and the speaker of the assembly; ~~[e]~~

18 (5) who is the New York convention center operating corporation, or
19 any statutory subsidiary thereof formed pursuant to section twenty-five
20 hundred sixty-four of the public authorities law. When filing an appli-
21 cation to form a pure captive insurance company, the corporation shall
22 submit written notice of such filing to the governor, the temporary
23 president of the senate and the speaker of the assembly; or

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

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1 (6) who is a city with a population of one million or more. When
2 filing an application to form a pure captive insurance company, a city
3 with a population of one million or more shall submit written notice of
4 such filing to the governor, the temporary president of the senate and
5 the speaker of the assembly.

6 (g) "Industrial insured group" means any group of unaffiliated indus-
7 trial insureds that are engaged in similar or related businesses or
8 activities, however, the metropolitan transportation authority, the
9 power authority of the state of New York, the New York convention center
10 operating corporation and any statutory subsidiary thereof and cities
11 with a population of one million or more shall not be a member of an
12 industrial insured group, and that collectively:

13 (1) own, control or hold with power to vote all of the outstanding
14 voting shares of stock of a group captive insurance company incorporated
15 as a stock insurer; or

16 (2) represent one hundred percent of the voting members of a group
17 captive insurance company organized as a mutual insurer.

18 § 2. Subdivisions 2 and 3 of section 2564 of the public authorities
19 law, subdivision 2 as amended by chapter 3 of the laws of 2004 and
20 subdivision 3 as added by chapter 35 of the laws of 1979, are amended
21 and a new subdivision 4 is added to read as follows:

22 2. To approve the plan and design of the convention center project as
23 required by a chapter of the laws of nineteen hundred seventy-nine and
24 the plan and design of the expansion project and any convention hotel
25 financed by [~~the~~] chapter three of the laws of two thousand four [~~which~~
26 ~~amended this subdivision~~]; [~~and~~]

27 3. To transfer or otherwise make available to the subsidiary of New
28 York state urban development corporation organized pursuant to said
29 chapter of the laws of nineteen hundred seventy-nine, without consider-
30 ation and when and as requested by said subsidiary, any or all rights,
31 property and assets which shall have been transferred to the corporation
32 pursuant to section twenty-two-a of chapter ten hundred eleven of the
33 laws of nineteen hundred seventy-one as added by section eighteen of
34 said chapter of the laws of nineteen hundred seventy-nine[~~+~~]; and

35 4. To establish a subsidiary for the purposes of forming a pure
36 captive insurance company as provided in section seven thousand two of
37 the insurance law. Prior to forming such captive insurance company, the
38 corporation or its subsidiary shall complete a feasibility study includ-
39 ing, but not limited to, an analysis of the actuarial risks and feasi-
40 bility associated with the creation of the insurance captive, a measure-
41 ment of value of such insurance captives relative to financing risk
42 utilizing commercial insurance or self-financing, including in the
43 aggregate and by respective insurance type, the advantages and disadvan-
44 tages of potential insurance captive structures, and a domicile analy-
45 sis. Such feasibility study shall be provided to the temporary president
46 of the senate, the speaker of the assembly, and the governor upon
47 completion, and shall be conducted by an independent risk consultant
48 firm or captive insurance broker licensed by the state to perform such
49 duties. Such related risk consultant firm, captive insurance broker, or
50 any subsidiaries or affiliates thereof shall be prohibited from provid-
51 ing any management services for the captive insurance company for the
52 corporation for no less than five years from the date of completing the
53 study.

54 § 3. Subdivision (a) of section 1500 of the tax law, as amended by
55 chapter 193 of the laws of 2022, is amended to read as follows:

1 (a) The term "insurance corporation" includes a corporation, associ-
2 ation, joint stock company or association, person, society, aggregation
3 or partnership, by whatever name known, doing an insurance business,
4 and, notwithstanding the provisions of section fifteen hundred twelve of
5 this article, shall include (1) a risk retention group as defined in
6 subsection (n) of section five thousand nine hundred two of the insur-
7 ance law, (2) the state insurance fund and (3) a corporation, associ-
8 ation, joint stock company or association, person, society, aggregation
9 or partnership doing an insurance business as a member of the New York
10 insurance exchange described in section six thousand two hundred one of
11 the insurance law. The definition of the "state insurance fund"
12 contained in this subdivision shall be limited in its effect to the
13 provisions of this article and the related provisions of this chapter
14 and shall have no force and effect other than with respect to such
15 provisions. The term "insurance corporation" shall also include a
16 captive insurance company doing a captive insurance business, as defined
17 in subsections (c) and (b), respectively, of section seven thousand two
18 of the insurance law; provided, however, "insurance corporation" shall
19 not include the metropolitan transportation authority, the power author-
20 ity of New York or any statutory subsidiary thereof, the New York
21 convention center operating corporation or any statutory subsidiary
22 thereof, or a public benefit corporation or not-for-profit corporation
23 formed by a city with a population of one million or more pursuant to
24 subsection (a) of section seven thousand five of the insurance law, each
25 of which is expressly exempt from the payment of fees, taxes or assess-
26 ments, whether state or local; and provided further "insurance corpo-
27 ration" does not include any combinable captive insurance company. The
28 term "insurance corporation" shall also include an unauthorized insurer
29 operating from an office within the state, pursuant to paragraph five of
30 subsection (b) of section one thousand one hundred one and subsection
31 (i) of section two thousand one hundred seventeen of the insurance law.
32 The term "insurance corporation" also includes a health maintenance
33 organization required to obtain a certificate of authority under article
34 forty-four of the public health law.

35 § 4. Subdivision (a) of section 1502-b of the tax law, as amended by
36 chapter 193 of the laws of 2022, is amended to read as follows:

37 (a) In lieu of the taxes and tax surcharge imposed by sections fifteen
38 hundred one, fifteen hundred two-a, fifteen hundred five-a, and fifteen
39 hundred ten of this article, every captive insurance company licensed by
40 the superintendent of financial services pursuant to the provisions of
41 article seventy of the insurance law, other than the metropolitan trans-
42 portation authority, the power authority of New York or any statutory
43 subsidiary thereof, the New York convention center operating corporation
44 or any statutory subsidiary thereof, and a public benefit corporation or
45 not-for-profit corporation formed by a city with a population of one
46 million or more pursuant to subsection (a) of section seven thousand
47 five of the insurance law, each of which is expressly exempt from the
48 payment of fees, taxes or assessments whether state or local, and other
49 than combinable captive insurance company, shall, for the privilege of
50 exercising its corporate franchise, pay a tax on (1) all gross direct
51 premiums, less return premiums thereon, written on risks located or
52 resident in this state and (2) all assumed reinsurance premiums, less
53 return premiums thereon, written on risks located or resident in this
54 state. The rate of the tax imposed on gross direct premiums shall be
55 four-tenths of one percent on all or any part of the first twenty
56 million dollars of premiums, three-tenths of one percent on all or any

1 part of the second twenty million dollars of premiums, two-tenths of one
2 percent on all or any part of the third twenty million dollars of premi-
3 ums, and seventy-five thousandths of one percent on each dollar of
4 premiums thereafter. The rate of the tax on assumed reinsurance premiums
5 shall be two hundred twenty-five thousandths of one percent on all or
6 any part of the first twenty million dollars of premiums, one hundred
7 and fifty thousandths of one percent on all or any part of the second
8 twenty million dollars of premiums, fifty thousandths of one percent on
9 all or any part of the third twenty million dollars of premiums and
10 twenty-five thousandths of one percent on each dollar of premiums there-
11 after. The tax imposed by this section shall be equal to the greater of
12 (i) the sum of the tax imposed on gross direct premiums and the tax
13 imposed on assumed reinsurance premiums or (ii) five thousand dollars.
14 § 5. This act shall take effect immediately.