

STATE OF NEW YORK

7934

2025-2026 Regular Sessions

IN SENATE

May 14, 2025

Introduced by Sen. HELMING -- 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 providing exceptions to pure captive insurance companies and group captive insurance companies, who are public entities, political subdivisions, public authorities, public benefit corporations, or a subsidiary thereof

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

1 Section 1. Paragraph 2 of subsection (b) of section 7003 of the insurance law, as added by section 146 of part A of chapter 389 of the laws of 1997, is amended to read as follows:

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4 (2) its board of directors holds at least one meeting each year in this state; provided, however, in the case of any pure captive insurance company or group captive insurance company who is a public entity, political subdivision, public authority, public benefit corporation, or a subsidiary thereof, its board of directors shall hold at least two meetings each year in this state;

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10 § 2. Subsection (g) of section 7005 of the insurance law, as added by section 146 of part A of chapter 389 of the laws of 1997, is amended to read as follows:

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13 (g) The board of directors of a captive insurance company incorporated in this state shall have at least three members, with at least two of the members required to be residents of this state; provided, however, in the case of any pure captive insurance company or group captive insurance company who is a public entity, political subdivision, public authority, public benefit corporation, or a subsidiary thereof, the board of directors shall have a majority of members required to be residents of this state.

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21 § 3. Section 7007 of the insurance law, as amended by chapter 435 of the laws of 2022, is amended to read as follows:

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

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1 § 7007. Examinations. (a) The superintendent may make an examination
2 into the affairs of any captive insurance company licensed to do a
3 captive insurance business in this state whenever it is deemed necessary
4 for the protection of the interests of the people of this state but the
5 superintendent shall conduct at least one examination every five years.
6 Such examinations shall be conducted in accordance with the provisions
7 of sections three hundred ten, three hundred eleven, three hundred
8 twelve of this chapter and subsection (f) of section two hundred six of
9 the financial services law.

10 (b) Notwithstanding subsection (a) of this section, in the case of any
11 pure captive insurance company or group captive insurance company who is
12 a public entity, political subdivision, public authority, public benefit
13 corporation, or a subsidiary thereof:

14 (1) the superintendent shall conduct an examination into the affairs
15 of such pure or group captive insurance company at least once every
16 three years.

17 (2) the state comptroller also is authorized to make an examination
18 into the affairs of such company if the state comptroller deems it
19 necessary at any time for the protection of the interests of the people
20 of this state.

21 § 4. Section 7006 of the insurance law, as added by section 146 of
22 part A of chapter 389 of the laws of 1997, is amended to read as
23 follows:

24 § 7006. Annual report. (a) Every captive insurance company licensed to
25 do a captive insurance business in this state shall file with the super-
26 intendent:

27 [~~a~~] (1) annually on or before March first, a statement of its finan-
28 cial condition and any amendment to the plan of operation at last year-
29 end, verified by the oath of at least two of its executive officers. The
30 statement shall be in the form prescribed by the superintendent; and

31 [~~b~~] (2) annually on or before July first, a report of its financial
32 condition at last year-end with an opinion of an independent certified
33 public accountant; and

34 [~~a~~] (3) annually on or before July first, evidence in a form
35 prescribed by the superintendent, that the industrial insured or member
36 of the industrial insured group owning the captive insurance company
37 continues to meet the financial standards set forth in subsection (e) of
38 section seven thousand two of this article.

39 (b) Notwithstanding subsection (a) of this section, any pure captive
40 insurance company or group captive insurance company who is a public
41 entity, political subdivision, public authority, public benefit corpo-
42 ration, or a subsidiary thereof shall file such annual report with the
43 superintendent, the governor, the temporary president of the senate, the
44 speaker of the assembly, and the minority leaders of the senate and
45 assembly.

46 § 5. This act shall take effect one year after it shall have become a
47 law. Effective immediately, the addition, amendment and/or repeal of any
48 rule or regulation necessary for the implementation of this act on its
49 effective date are authorized to be made and completed on or before such
50 date.