

STATE OF NEW YORK

10084

IN ASSEMBLY

January 30, 2026

Introduced by M. of A. WEPRIN -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to orders of conservation for domestic insurers

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

Section 1. Section 7406 of the insurance law, the opening paragraph and paragraph 1 of subsection (a) as amended by chapter 215 of the laws of 1993, is amended to read as follows:

§ 7406. Grounds for conservation of assets of a domestic, foreign or alien insurer. (a) The superintendent may apply under this article for an order directing the superintendent to conserve the assets within the state of a domestic or foreign insurer upon:

(1) any of the grounds specified in subsection (a) through (g), (j), (k) or (o) of section seven thousand four hundred two of this article, or

(2) upon the ground that such insurer has consented to such an order through a majority of its directors, shareholders or members, or, with respect to a foreign insurer, has had its property sequestered in its domiciliary country or state or in any other country or state.

(b) The superintendent may apply under this article for an order directing [~~him~~] them to conserve the assets within this state of an alien insurer, except one which has its trustee assets in this state, on any of the grounds specified in subsection (a), (b), (d) through (g), (j) or (k) of section seven thousand four hundred two of this article, or upon the ground that it has failed or refused to comply, within the time designated by the superintendent, with an order of the superintendent, pursuant to law, to rectify an impairment of its trustee surplus, or that it has consented to such an order through a majority of its directors, shareholders or members, or has had its property sequestered in its domiciliary country or elsewhere.

§ 2. Section 7407 of the insurance law, as amended by chapter 169 of the laws of 1990, is amended to read as follows:

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

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§ 7407. Order of conservation of a domestic insurer or ancillary liquidation of a foreign or alien insurer. (a) An order to conserve the assets of a foreign or alien insurer shall direct the superintendent and ~~his~~ their successors in office, as conservator, forthwith to take possession of, and conserve, the insurer's property within this state, subject to the court's further direction.

(b) Where the superintendent has been appointed pursuant to the provisions of section seven thousand four hundred six of this article as conservator of the assets of a domestic insurer, the conservator shall conduct an analysis of the business and financial condition of the insurer and may take such action as the conservator deems necessary or appropriate to correct the problems that led to the order of conservation and restore the insurer to private management and normal operations.

(c) Where the superintendent has been appointed pursuant to the provisions of section seven thousand four hundred six of this article as conservator of the assets within the state of a foreign or alien insurer, for which a domiciliary receiver is subsequently appointed for such insurer in its domiciliary state which is also a reciprocal state, as defined in section seven thousand four hundred eight of this article, the superintendent, upon request of the domiciliary receiver, shall, notwithstanding subsection (a) of section seven thousand four hundred ten of this article, apply to the court in which such conservation proceeding was commenced for an order appointing the superintendent as ancillary receiver for such foreign or alien insurer.

~~(c)~~ (d) Whenever a domiciliary receiver is appointed for any insurer in its domiciliary state which is also a reciprocal state, as defined in section seven thousand four hundred eight of this article, the superintendent, upon request of the domiciliary receiver, shall, notwithstanding subsection (a) of section seven thousand four hundred ten of this article, apply to a court of competent jurisdiction for an order appointing the superintendent as ancillary receiver of such insurer.

~~(d)~~ (e) Notwithstanding subsection (a) of section seven thousand four hundred ten of this article, the court may on the application of the superintendent pursuant to subsection ~~(b) or~~ (c) or (d) of this section appoint the superintendent as the ancillary receiver in this state, subject to the provisions of sections seven thousand four hundred eight through seven thousand four hundred fifteen of this article. Subject to the provisions of such sections, the rights and duties of the superintendent with reference to such insurer and such assets shall include those heretofore exercised by and imposed upon ancillary receivers of foreign corporations in this state.

§ 3. This act shall take effect immediately and shall apply to all appointments pursuant to the provisions of section seven thousand four hundred six of the insurance law which occur on and after such date.