

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; ~~or~~

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

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

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

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

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

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

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

4. To establish a subsidiary for the purposes of forming a pure captive insurance company as provided in section seven thousand two of the insurance law. Prior to forming such captive insurance company, the corporation or its subsidiary shall complete a feasibility study including, but not limited to, an analysis of the actuarial risks and feasibility associated with the creation of the insurance captive, a measurement of value of such insurance captives relative to financing risk utilizing commercial insurance or self-financing, including in the aggregate and by respective insurance type, the advantages and disadvantages of potential insurance captive structures, and a domicile analysis. Such feasibility study shall be provided to the temporary president of the senate, the speaker of the assembly, and the governor upon completion, and shall be conducted by an independent risk consultant firm or captive insurance broker licensed by the state to perform such duties. Such related risk consultant firm, captive insurance broker, or any subsidiaries or affiliates thereof shall be prohibited from providing any management services for the captive insurance company for the corporation for no less than five years from the date of completing the study.

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

(a) The term "insurance corporation" includes a corporation, association, joint stock company or association, person, society, aggregation or partnership, by whatever name known, doing an insurance business, and, notwithstanding the provisions of section fifteen hundred twelve of this article, shall include (1) a risk retention group as defined in subsection (n) of section five thousand nine hundred two of the insurance law, (2) the state insurance fund and (3) a corporation, association, joint stock company or association, person, society, aggregation or partnership doing an insurance business as a member of the New York insurance exchange described in section six thousand two hundred one of the insurance law. The definition of the "state insurance fund" contained in this subdivision shall be limited in its effect to the provisions of this article and the related provisions of this chapter and shall have no force and effect other than with respect to such provisions. The term "insurance corporation" shall also include a captive insurance company doing a captive insurance business, as defined in subsections (c) and (b), respectively, of section seven thousand two of the insurance law; provided, however, "insurance corporation" shall not include the metropolitan transportation authority, the power authority of New York or any statutory subsidiary thereof, the New York convention center operating corporation or any statutory subsidiary thereof, or a public benefit corporation or not-for-profit corporation formed by a city with a population of one million or more pursuant to subsection (a) of section seven thousand five of the insurance law, each of which is expressly exempt from the payment of fees, taxes or assessments, whether state or local; and provided further "insurance corporation" does not include any combinable captive insurance company. The term "insurance corporation" shall also include an unauthorized insurer operating from an office within the state, pursuant to paragraph five of subsection (b) of section one thousand one hundred one and subsection (i) of section two thousand one hundred seventeen of the insurance law. The term "insurance corporation" also includes a health maintenance organization required to obtain a certificate of authority under article forty-four of the public health law.

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

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