STATE OF NEW YORK

7286

2025-2026 Regular Sessions

IN SENATE

April 8, 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 term life insurance suitability information and the limiting of certain regulations or orders promulgated by the superintendent related thereto

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

Section 1. Legislative findings and intent. The legislature hereby finds that term life insurance products are a primary vehicle for the financial security and protection of the families of many New Yorkers. Furthermore, the legislature finds that New York is trailing behind the rest of the country in the sale of term life insurance products. Therefore, it is the intent of the legislature to help to create more opportunities for the availability of term life insurance policies in New York.

§ 2. The insurance law is amended by adding two new sections 4227 and 4227-a to read as follows:

§ 4227. Term life insurance suitability information. For a policy solely providing term life insurance, as defined in this chapter, with no cash value, the information that is reasonably appropriate to determine the suitability of a recommendation commensurate with the materiality of the transaction to a consumer's financial situation at the time of the recommendation and the complexity of the transaction recommended shall be limited to age and annual income.

§ 4227-a. Limitations on the superintendent. (a) Notwithstanding any other provision of law, the superintendent is prohibited from promulgating any regulation, rule, advisory or otherwise imposing any suitability standard, or enforcing any such regulation, rule, advisory or otherwise, in conjunction with the purchase of a term life insurance policy, as that term is defined in this chapter, or in conjunction with the exercise of any right or contractual option or amendment pursuant to the

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

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provisions of any such policy, that would include suitability information not described in section four thousand two hundred twenty-seven of this article.

(b) Any provision of the superintendent's regulations or orders in effect on the effective date of this section which may be contrary to this section shall be deemed null and void. Particularly, any provision of 11 NYCRR Part 224 contrary to this section shall be null and void and the superintendent shall amend such regulation accordingly, by the consensus regulatory process.

§ 3. This act shall take effect immediately.