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:

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:

(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**;

§ 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:

(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**.

§ 3. Section 7007 of the insurance law, as amended by chapter 435 of the laws of 2022, 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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§ 7007. Examinations. **(a)** The superintendent may make an examination into the affairs of any captive insurance company licensed to do a captive insurance business in this state whenever it is deemed necessary for the protection of the interests of the people of this state but the superintendent shall conduct at least one examination every five years. Such examinations shall be conducted in accordance with the provisions of sections three hundred ten, three hundred eleven, three hundred twelve of this chapter and subsection (f) of section two hundred six of the financial services law.

(b) Notwithstanding subsection (a) of this section, 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:

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

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

§ 4. Section 7006 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:

§ 7006. Annual report. **(a)** Every captive insurance company licensed to do a captive insurance business in this state shall file with the superintendent:

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

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

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

(b) Notwithstanding subsection (a) of this section, 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 shall file such annual report with the superintendent, the governor, the temporary president of the senate, the speaker of the assembly, and the minority leaders of the senate and assembly.

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