NEW YORK INSURANCE DEPARTMENT

Pursuant to Section 202-d of the State Administrative Procedure Act (SAPA), the following Regulatory Agenda is a list of the regulatory additions and amendments to Title 11 of the NYCRR which the Insurance Department is presently considering proposing during the first half of 2001. Many of these items were previously published in the June, 2000 Regulatory Agenda. Proposed items that have been published in the State Register are not included on the list. The Insurance Department's regulatory plans are subject to change and the Department reserves the right to add to, delete from, or modify items on the Agenda without further notice.

This notice is also intended to provide small businesses, local governments and public and private interests in rural areas with the opportunity to participate in the rule making process, as provided for in Sections 202-b and 202-bb of SAPA.

For inquiries pertaining to a specific item, contact the agency contact person following the item. For general inquiries regarding the Insurance Department's Regulatory Agenda, contact:

Sam Wachtel
Associate Attorney
Office of General Counsel
New York State Insurance Department
25 Beaver Street
New York, N.Y. 10004
Telephone Number: 212-480-5269

Copies of current regulations may be obtained from the Department's Research Bureau at the New York City address. The telephone number is 212-480-2283.

Number 1: Agency Contact person: Sam Wachtel, Associate Attorney, Office of General Counsel (212-480-5269):

1. Summary description of proposal: Nonsubstantive recodification of Title 11, including updating references to pre-1984 Insurance Law sections with the current section numbers and reorganizing the structure of Title 11.

Number 2: Agency Contact person: Jon Rothblatt, Supervising Attorney (212-480-5278):

2. Summary description of proposal: Amendment to 11 NYCRR 86 (Reports of Suspected Insurance Frauds to Insurance Frauds Bureau; Required Warning Statements) (Regulation 95) to conform the provisions relating to Fraud Plans to the chapter amendments contained in Chapter 2 of the Laws of 1998 relating to Health Maintenance Organizations.
Number 3: Agency Contact person: Donald Carroll, Principal Attorney, Office of General Counsel (212-480-5287):


Number 4: Agency Contact person: John Gemma, Special Counsel to the Superintendent (212-480-5276):

4. Summary description of proposal: Adoption of a new Part 83 to 11 NYCRR (Financial Statement Filings and Accounting Practices and Procedures) (Regulation 172), to enhance the consistency of the accounting treatment of assets, liabilities, reserves, income and expenses, by setting forth the accounting practices and procedures to be followed in completing annual and quarterly statements required by law, adopting the Accounting Practices and Procedures Manual, including Statements of Statutory Accounting Principles, with certain modifications, deletions and additions.

Number 5: Agency Contact person: Janet Glover, Chief Insurance Examiner 2, Property Bureau (212-480-5561):

5. Summary description of proposal: Adoption of a new Part to 11 NYCRR to implement the provisions of Chapter 135 of the Laws of 1998 as they relate to the reporting of data.

Number 6 through 17: Agency Contact person: Patricia Mann, Associate Examiner, Property Bureau (212-480-5587):

6. Summary description of proposal: Amendment to 11 NYCRR 65-D (Motor Vehicles Reparations Act) (Regulation 68-D) to provide for a peer review mechanism.

7. Summary description of proposal: Amendment to 11 NYCRR 65-A (Motor Vehicles Reparations Act) (Regulation 68-A) to provide that insurers may offer additional Personal Injury Protection benefits that cover pedestrians.

8. Summary description of proposal: Adoption of a new Part to 11 NYCRR which advises insurers of the penalties to be enforced for failure to comply with the Department of Motor Vehicles’ Insurance Information and Enforcement System (IIES).

9. Summary description of proposal: Amendment to 11 NYCRR 68 (Charges for Professional Health Services) (Regulation 83) to adopt any changes to the Workers' Compensation Fee Schedule, as required by Section 5108 of the Insurance Law, and, if deemed necessary, to establish new fee schedules promulgated by the Insurance Department.

10. Summary description of proposal: Amendment to 11 NYCRR 70 (Medical Malpractice Insurance Rate Modifications, Provisional Rates, Required Policy Provisions and Availability of Additional Coverages) (Regulation 101) to establish primary and excess physicians and surgeons liability insurance rates to be effective July 1, 2000, pursuant to Part JJ of Chapter 407 of the Laws of 1999. Consideration is also being given to amendment of Sections 70.8(h), 70.9(l) and 70.9(m) which contain the instructions and forms used to report segregated and surcharge...
account information to the Insurance Department; and to amendment of Section 70.13 which currently requires that medical malpractice insurers offer both occurrence and claims-made policies.

11. Summary description of proposal: Amendment to 11 NYCRR 153 (Property/Casualty Insurance Group and Quasi-Group Standards) (Regulation 135) to modify restrictions on certain types of group insurance purchases.

12. Summary description of proposal: Adoption of a new Part to 11 NYCRR which will establish minimum requirements and standards for policies insuring the liability of directors and officers.

13. Summary description of proposal: Amendment to 11 NYCRR 67 (Mandatory Inspection Requirements for Private Passenger Automobiles)(Regulation 79) to modify requirements for mandatory motor vehicle physical damage underwriting inspections.

14. Summary description of proposal: Amendment to 11 NYCRR 69 (Mortgage Pool Insurance) (Regulation 91) to include requirements and guidelines for the Homeowners Protection Act of 1998.

15. Summary description of proposal: Amendment to 11 NYCRR 27 (Excess Lines Placements Governing Standards) (Regulation 41) to include guidelines for non-admitted affiliates of licensed insurers doing business in NYS and to provide the language for the mandatory notice that must be included on all documents that the non-admitted affiliate issues in NYS.

16. Summary description of proposal: Amendment to 11 NYCRR 71 (Legal Defense Costs in Liability Policies) (Regulation 107) to redefine the classification of risks eligible for exemption from the requirements of this part.

17. Summary description of proposal: Amendment to 11 NYCRR 65 (Regulations Implementing the Comprehensive Motor Vehicle Insurance Reparations Act) (Regulation 68) to conform the recently enacted regulation, effective February 1, 2000, with the transfer of the conciliation function from the Insurance Department to the American Arbitration Association.

Numbers 18 through 22: Agency Contact person: Anna Lemecha, Principal Examiner, Property Bureau (212-480-5128):

18. Summary description of proposal: Amendment to 11 NYCRR 79 (Letters of Credit) (Regulation 133) to make necessary modifications to the rules governing an acceptable letter of credit from an unauthorized insurer.

19. Summary description of proposal: Amendment to 11 NYCRR 125 (Credit for Reinsurance from Unauthorized Insurers) (Regulations 17 and 20) to repeal Sections 125.1 through 125.3, to reevaluate and simplify rules and procedures for securing credit for reinsurance with unauthorized insurers, and to permit letters of credit to be used as eligible assets in a multi-beneficiary trust.

20. Summary description of proposal: Amendment to 11 NYCRR 126 (Trust Agreements) (Regulation 114) to make necessary modifications to the rules governing trust agreements established by an unauthorized insurer.
21. Summary description of proposal: Amendment to 11 NYCRR 89 (Audited Financial Statements)(Regulation 118) to conform the rule to Insurance Law Section 307(b) by limiting the exception to the requirement for filing of CPA statements to assessment cooperative companies meeting certain criteria.

22. Summary description of proposal: Adoption of a new part to 11 NYCRR to set forth requirements applicable to insurance companies' custodial accounts for securities.

Number 23: Agency Contact person: Paul DeRobertis, Supervising Examiner, Property Bureau (212-480-5126):

23. Summary description of proposal: Adoption of a new part to 11 NYCRR to set forth financial, reporting and other requirements applicable to captive insurance companies licensed pursuant to Article 70 of the Insurance Law.

Number 24: Agency Contact person: Ruth Gumaer, Principal Insurance Examiner, Life Bureau (212-480-4763):

24. Summary description of proposal: Amendment to 11 NYCRR 26 (Independent Adjusters)(Regulation 25) to add a definition for "independent adjuster, life" and to add life, annuities and prepaid legal services to the types of adjuster examinations to be given.

Numbers 25 through 27: Agency Contact person: Linda Connolly, Supervising Examiner, Life Bureau (212-480-5018):

25. Summary description of proposal: Amendment to 11 NYCRR 51 (Replacement of Life Insurance Policies and Annuity Contacts) (Regulation 60) to allow the agents to use available and verifiable information in completing the disclosure statement, in lieu of waiting twenty days for a response from the replaced insurer.


27. Summary description of proposal: Amendments to 11 NYCRR 175 (Rules Governing Bona Fide Hedging Transactions) (Regulation 111) and 11 NYCRR 177 (Rules Governing Bona Fide Hedging and Income Enhancement Transactions) (Regulation 142) to suspend the regulations until June 30, 2003, to reflect the changes to Article 14 made by the laws of 1998 and 2000.

Numbers 28 through 30: Agency Contact person: William Carmello, Chief Life Actuary 3, Life Bureau (518-474-7929):

28. Summary description of proposal: Amendment to 11 NYCRR 44 (Individual Deferred Annuities, Market Value Adjustments, Withdrawal Charges, Availability of Cash Values) (Regulation 127) to update the minimum standards for market value adjustments and surrender charges consistent with recent changes made to the annuity nonforfeiture law and to include additional general standards for deferred annuities.
29. Summary description of proposal: Amendment to 11 NYCRR 42 (Term Life Renewal Restrictions; Cash Surrender Values for Certain Life Insurance Plans) (Regulation 149) to modify the renewal restrictions for certain cases, to modify the eligibility requirements for exemption from nonforfeiture testing, and to modify the nonforfeiture requirements for certain life insurance plans.

30. Summary description of proposal: Adoption of a new Part to 11 NYCRR to set standards for individual life policies and annuity contracts so they are self supporting based on reasonable assumptions:

Number 31: Agency Contact person: Deborah Kahn, Associate Insurance Attorney, Life Bureau (518-474-4552):

31. Summary description of proposal: Amendment to 11 NYCRR 41 (Accelerated Payment of the Death Benefit under a Life Insurance Policy) (Regulation 143) to establish additional standards for accelerated payments of life insurance benefits in the event that the insured is confined in a long term care facility and/or qualifies for long term care benefits as defined by law.

Numbers 32 through 36: Agency Contact person: Ralph D. Spaulding, Supervising Insurance Attorney, Life Bureau (518-486-5258):

32. Summary description of proposal: Amendment to 11 NYCRR 54 (Variable Life Insurance) (Regulation 77) to establish revised standards for policy and nonforfeiture provisions and the operation of separate account funding variable life insurance policies to reflect changes in product design, marketing strategies and policy administration.

33. Summary description of proposal: Amendment to 11 NYCRR 50 (Separate Account and Separate Account Annuities) (Regulation 47) to establish revised standards for the operation of separate accounts, contract provisions and actuarial requirements to reflect statutory changes and recent innovations in product design and changes in contract administration of separate account and variable annuity products.

34. Summary description of proposal: Adoption of a new Part to 11 NYCRR which sets forth the minimum standards for the form, content and sale of life insurance policies and annuity contracts and incorporates the procedures and requirements contained in Department circular letters.

35. Summary description of proposal: Adoption of a new Part to 11 NYCRR to set forth the requirements for life insurance policies issued in the pre-need funeral insurance market including such areas as disclosure and pricing.

36. Summary description of proposal: Amendment to 11 NYCRR 53 (Life and Annuity Cost Disclosure and Sales Illustration) (Regulation 74) to set forth the information mandated by Section 3209 of the Insurance Law including the standards governing the content, format and use of sales illustrations and other disclosure requirements for fixed annuity products and funding agreements.
37. Summary description of proposal: Amendment to 11 NYCRR 53 (Life and Annuity Cost Disclosure and Sales Illustration) (Regulation 74) to include changes which provide for enhanced disclosure to buyers of life insurance and annuity products.

Numbers 38 through 39: Agency Contact person: Peter Kreuter, Chief Actuary 3, Life Bureau (212-480-5327):

38. Summary Description of proposal: Repeal of 11 NYCRR 11 (Maximum Expense Allowances Payable to Agents in Connection with Expenses Incurred for Obtaining New Ordinary Life Insurance and Annuity Contracts) (Regulation 49) which is now unnecessary due to the amendment of Section 4228 of the Insurance Law.

39. Summary description of proposal: Repeal of 11 NYCRR 12 (Additional Compensation to New General Agents and Training Allowances to New Soliciting Agents) (Regulation 50) which is now unnecessary due to the amendment of Section 4228 of the Insurance Law.

Number 40: Agency Contact person: Michael D. Cebula, Supervising Actuary, Life Bureau (518-486-6805):

40. Summary description of proposal: Amendment to 11 NYCRR 94 (Minimum Reserves for Individual Accident and Health Policies) (Regulation 56) to update the minimum standards for calculating claim reserves, premium reserves and contract reserves consistent with statutory changes and expand the minimum standards for group accident and health products.

Numbers 41 through 42: Agency Contact person: Thomas Hartman, Principal Actuary, Life Bureau (518-474-6805):

41. Summary description of proposal: Amendment to 11 NYCRR 187 (Credit Unemployment Insurance)(Regulation 27-C) to establish revised standards for policy provisions and disclosure requirements to reflect new types of loans and to simplify rating procedures in order to reduce insurer's administrative costs.

42. Summary description of proposal: Amendment to 11 NYCRR 185 (Credit Life Insurance and Credit Accident and Health Insurance) (Regulation 27A) to revise premium rates for vendor business and clarify how truncated coverage is written.

Numbers 43 through 44: Agency Contact person: Robert Solomon, Principal Insurance Examiner, Health Bureau (212-480-5246):

43. Summary description of proposal: Amendment to 11 NYCRR 52 (Minimum Standards for Form, Content and Sale of Health Insurance, Including Standards of Full and Fair Disclosure) (Regulation 62) and 11 NYCRR 360 (Open Enrollment and Community Rating of Individual and Small Group Health Insurance) (Regulation 145) to clarify, for Article 43 Corporations and HMOs, requirements for prior approval of forms and rates, including the establishing of rules for determining the rating methodology to be used for rating point-of-service products sold by large groups, and to clarify the application and effect of rolling rates and annual level subscriber rates.
44. Summary description of proposal: Amendment to 11 NYCRR 52 (Minimum Standards for Form, Content and Sale of Health Insurance, Including Standards of Full and Fair Disclosure) (Regulation 62) to implement Sections 4308(g) and (h) of the Insurance Law relating to the alternate methodology for submissions of rates by Article 43 Corporations and Health Maintenance Organizations, and submissions of loss ratios for contracts subject to the alternate methodology.

Number 45: Agency Contact person: Austin J. Rinella, Supervising Insurance Attorney, Health Bureau (518-474-4098):

45. Summary description of proposal: Amendments to 11 NYCRR 52 (Minimum Standards for Form, Content and Sale of Health Insurance, Including Standards of Full and Fair Disclosure) (Regulation 62), 11 NYCRR 360 (Open Enrollment and Community Rating of Individual and Small Group Health Insurance) (Regulation 145), 11 NYCRR 361 (Market Stabilization Mechanisms) (Regulation 146), 11 NYCRR 59 (Minimum Standards for Certificates Deemed to Have Been Delivered in New York) (Regulation 123), 11 NYCRR 39 (Minimum Standards for Long Term Care Security Demonstration Program Established Under Chapter 454 of the Laws of 1989) (Regulation 144) and adoption of new Part to 11 NYCRR to:
1) establish minimum standards for such products as managed care and point of service arrangements as well as other health insurance products as ongoing changes occur in the health insurance field; 2) make changes to state regulations which may be required due to implementation of the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191), Chapter 661 of the Laws of 1997 and other federal and state enactments; 3) establish minimum standards and requirements for specified disease coverage; 4) make changes to minimum standards for partnership coverages.

Number 46: Agency Contact person: Mary L. Burns, Supervising Insurance Attorney, Health Bureau (518-486-7815):

46. Summary description of proposal: Amendment to 11 NYCRR 52 (Minimum Standards for the Form, Content and Sale of Health Insurance, Including Standards of Full and Fair Disclosure) (Regulation 62) to make changes to the minimum standards for Medicare Supplement insurance to comply with provisions of the Balanced Budget Act of 1997 which included the establishment of a prospective payment system for Medicare hospital outpatient services.

Number 47: Agency Contact person: Daniel Payne, Senior Insurance Attorney, Health Bureau (518-473-7470):

47. Summary description of proposal: Amendment to 11 NYCRR 52 (Minimum Standards for Form, Content and Sale of Health Insurance, Including Standards of Full and Fair Disclosure) (Regulation 62) to clarify that point of service health insurance products issued by health maintenance organizations with an out-of-plan benefit written by a licensed insurer must utilize the same rating methodology.

Number 48: Agency Contact person: Carol Leith, Principal Actuary, Health Bureau (518-474-4562):

48. Summary description of proposal: Amendment to 11 NYCRR 52 (Minimum Standards for Form, Content and Sale of Health Insurance, Including Standards of Full and Fair Disclosure)
(Regulation 62) to provide instructions and format for calculating and reporting loss ratios and
issuing dividends or credits as required in section 3231 (e)(2)(B), in instances where the alternate
filing procedure as defined in section 3231(e)(2)(A) has been utilized.

Number 49: Agency Contact person: Lisette Johnson, Associate Insurance Attorney, Health
Bureau (518-474-4098):

49. Summary description of proposal: Adoption of a new Part to 11 NYCRR to establish
requirements for contracts between insurers and health care providers.

Number 50: Agency Contact person: William Generous, Supervising Actuary, Health Bureau
(518-402-5481):

50. Summary description of proposal: Amendment to 11 NYCRR 350 (Life Care Communities)
(Regulation 140) to modify and clarify the actuarial reserve calculation, solvency testing,
distribution allowances, fee adequacy, and to better define needed filing requirements, all
recognizing marketplace expansion in both the number and types of Life Care Communities.

Number 51: Agency Contact Person: Judy Doyle, Associate Insurance Examiner, Consumer
Services Bureau (518-474-5154):

51. Summary Description of proposal: Amendment to 11 NYCRR 216 (Unfair Claims
Settlement Practices) (Regulation 64) to extend to health insurance claims the applicability of
standardized language currently required in certain property/casualty policies that advises
insureds of their right to file a complaint with the New York State Insurance Department when
their claim or any portion thereof is denied by an insurance carrier.

Number 52: Agency contact person: John Chaskey, Principal Examiner, Consumer Services
Bureau (518-474-9845)

52. Summary Description of proposal: Amendment to 11 NYCRR 28 (Bail Bond Agents)
(Regulation 42) to establish minimum recordkeeping requirements and identify prohibited
charges in conjunction with (1) the issuance of a bail bond and (2) requiring collateral in order to
secure the issuance of a bail bond.

Numbers 53 through 54: Clark J. Williams, Assistant Director, Licensing Services Bureau, (518-
474-6631):

53. Summary description of proposal: Amendments to 11 NYCRR 20 (Brokers and Agents-
General) (Regulations 9, 18 and 29), 11 NYCRR 21 (Insurance and Excess Line Brokers)
(Regulation 5), 11 NYCRR 22 (Agents: Life, Accident and Health) (Regulation 6), 11 NYCRR
23 (Agents: Fire, Marine, Casualty, Etc.) (Regulation 7), 11 NYCRR 24 (Officers and Employees
of Insurers and Savings Banks) (Regulation 8), 11 NYCRR 25 (Public Adjusters) (Regulation
10), and 11 NYCRR 26 (Independent Adjusters) (Regulation 25) to eliminate references to
outdated licensing requirements and addresses relating to applications for licensing by the
Department.
54. Summary description of proposal: Amendment to 11 NYCRR 34 (Requirements Pertaining to the Location of an Insurance Agent or Broker at Each Place of Insurance Business; Reporting Requirements) (Regulation 125) to clarify the requirement that an insurance agency or brokerage maintain at each of its places of business an agent or broker that is licensed in each of the same lines as the agency or brokerage so that it is only required to have an agent or broker licensed in the business actually conducted at that location.