



NEW YORK STATE SENATOR

James L. Seward

Seward Bill Streamlines Commercial Insurance Regulation

JAMES L. SEWARD June 21, 2011

| ISSUE: **ECONOMIC DEVELOPMENT, INSURANCE**



ALBANY, 06/21/11 – The New York State Senate today passed legislation ([S.5811](#)) that will modernize the regulation of commercial insurance. The legislation, sponsored by the Chairman of the Senate Insurance Committee Senator James L. Seward (R/C/I – Oneonta), will exempt some large commercial insurance policyholders from certain state requirements.

“This legislation is a much needed step toward streamlining and modernizing insurance regulation in New York state,” said Senator Seward. **“The changes will also keep premium dollars right here, helping bolster an already robust insurance job market.”**

Specifically, senate bill 5811:

- Expands the types of insurance which may be written without the Insurance Department's prior approval of rates and forms when sold to large commercial policyholders;
- Creates a new class of risks that are exempt from prior approval requirements;
- Updates and conforms the standards for determining solvency and capital requirements based on the model used by the National Association of Insurance Commissioners (NAIC).

“Commercial policyholders need maximum flexibility to create policies that are tailored to their needs so they can respond rapidly to competitive forces, the economy and the needs of their customers.

“The current process of obtaining prior approval from the insurance department is a lengthy process which can put commercial entities at a competitive disadvantage in the marketplace, driving many to the offshore markets or other unregulated insurance sources. This legislation will give policyholders a reason to return to New York's admitted market.

“The commercial modernization legislation allows businesses to meet their insurance needs in a timely fashion, ensures premium dollars stay here in New York, and provides insurance department oversight,” Seward concluded.

The bill is the result of a three way agreement between the senate, assembly and governor's office.