



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.