

**SECOND AMENDMENT TO 11 NYCRR 51
(INSURANCE REGULATION 60)
REPLACEMENT OF LIFE INSURANCE POLICIES AND ANNUITY CONTRACTS**

Section 51.1(a) is amended as follows:

(a) To implement the Insurance Law of New York by regulating the acts and practices of insurers, agents, brokers and other licensees of the [Insurance] Department of Financial Services with respect to the internal and external replacement of life insurance policies and annuity contracts.

Section 51.3(b) is amended as follows:

(b) A policy change customarily granted by the insurer is being exercised, provided such change results in no additional surrender or expense charge or suicide or contestable restrictions, and only to the extent such change is approved by the Superintendent of [Insurance] Financial Services.

Section 51.4 is amended as follows:

Procedures designed to meet the purposes of this Part, that are approved in advance and determined by the Superintendent of [Insurance] Financial Services not to be detrimental to policyholders and contractholders, may be substituted for this Part by an insurer where no sales agency force is used and the application is solicited and received by the insurer by mail or under other methods that are without agent or broker involvement. Any procedures approved by the Superintendent of [Insurance] Financial Services prior to the effective date of this Part must be resubmitted for approval.

Section 51.5 (a) is amended as follows:

(a) obtain with or as part of each application a completed “Definition of Replacement” in a form prescribed by the Superintendent of [Insurance] Financial Services and signed by the applicant and the agent or broker and leave a copy of such form with the applicant for his or her records;

Section 51.5(c)(3) is amended as follows:

(3) present to the applicant, not later than at the time the applicant signs the application, the “IMPORTANT Notice Regarding Replacement or Change of Life Insurance Policies or Annuity Contracts” and a completed “Disclosure Statement” signed by the agent or broker in the form prescribed by the Superintendent of [Insurance] Financial Services and leave copies of such forms with the applicant for his or her records;

Section 51.6(b)(5) is amended as follows:

(5) submit quarterly reports within 30 days of the end of each quarter, beginning at the end of the first full calendar quarter after the effective date of this Part, to the Superintendent of [Insurance] Financial Services, indicating which insurers, if any, have failed to provide the information as required in paragraph (c)(2) of this section;

Section 51.6(e) is amended as follows:

(e) Both the insurer whose life insurance policy or annuity contract is being replaced and the insurer replacing the life insurance policy or annuity contract shall establish and implement procedures to ensure compliance with the requirements of this Part. These procedures shall include a requirement that all material be dated upon receipt. Such insurers shall also designate a principal officer specifically responsible for the monitoring and enforcement of these procedures. All insurers covered under this Part shall furnish the Superintendent of [Insurance] Financial Services with these procedures and the name and title of the designated principal officer by the effective date of this Part. Any changes in these procedures or the designated principal officer shall be furnished to the Superintendent of [Insurance] Financial Services within 30 days of such change.

Section 51.8 is amended as follows:

The forms set forth in Appendixes 10A, 10B, 10C and 11 of this Title are hereby approved for use as specified in this Part. The forms shall be set forth in at least 12-point type and shall be highlighted as indicated herein. Substantially equivalent forms may be adopted with the prior approval of the Superintendent of [Insurance] Financial Services.