

**NEW YORK STATE
INSURANCE DEPARTMENT**

**FIRST AMENDMENT TO REGULATION NO. 31
(11 NYCRR 173)**

REVENUE BONDS

I, Gregory V. Serio, Superintendent of Insurance of the State of New York, pursuant to the authority granted by Sections 201, 301, 1403(c), 1404(a)(1), and 1405(a)(1) of the Insurance Law, do hereby promulgate the following First Amendment to Part 173 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulation No. 31) to take effect upon publication in the State Register, to read as follows:

(Matter in brackets is deleted; new matter is underlined)

The statutory authority references for Part 173 are repealed and a new statutory authority is added to read as follows:

Insurance Law Sections 201, 301, 1403(c), 1404(a)(1), and 1405(a)(1)

Section 173.1 is amended to read as follows:

§173.1 Revenue bonds.

The following language of [subsection 1 of] section [81] 1404(a)(1) of the New York Insurance Law authorizing non-life insurers to invest in:

[“Bonds or other evidences of indebtedness, not in default as to principal or interest, which are valid and legally authorized obligations issued, assumed or guaranteed *** by any county, city, town, village, municipality or district *** or by any political subdivision *** or by any civil division or public instrumentality ***, if, by statutory or other legal requirements applicable thereto, such obligations are payable, as to both principal and interest *** from adequate special revenues pledged or otherwise appropriated or by such law required to be provided for the purpose of such payment ***.”]

“(1) Government obligations. Obligations which are not in default as to principal or interest which are valid and legally authorized, and which are issued, assumed, guaranteed, or insured by:

(D) any agency or instrumentality of any governmental unit referred to in subparagraphs (B)[“any state of the United States”] and (C)[“any territory or possession of the United States or any other governmental unit in the United States”] of this paragraph, provided that obligations to be eligible under this

paragraph shall be by law (statutory or otherwise) payable, as to both principal and interest, from taxes levied or by law required to be levied or from adequate special revenues pledged or otherwise appropriated or by law required to be provided for the purpose of such payment, but in no event shall obligations be eligible for investment under this paragraph if payable solely out of special assessments on properties benefited by local improvements.”

and the following language of section 1405(a)(1) authorizing life insurers to invest in:

(1) “Government obligations. Obligations, not in default, issued, assumed, guaranteed or insured by (i) the United States of America or by any agency or instrumentality thereof, (ii) any state of the United States of America, (iii) the District of Columbia, (iv) any territory or possession of the United States of America or any other governmental unit in the United States, or (v) any agency or instrumentality of any governmental unit referred to in items (ii), (iii) and (iv) above, provided that, in the case of obligations issued, assumed, guaranteed or insured by any governmental unit referred to in item (iv) above or any agency or instrumentality referred to in item (v) above, such obligations are by law (statutory or otherwise) payable, as to both principal and interest, from taxes levied or by law required to be levied or from adequate special revenues pledged or otherwise appropriated or by law required to be provided for the purpose of such payments, but in no event shall obligations be eligible for investment under this paragraph if payable solely out of special assessments on properties benefited by local improvements.”

[is] are hereby interpreted as authorizing investment in bonds or other evidences of indebtedness, not in default as to principal or interest, which are valid and legally authorized obligations of one of the above-described obligors, to provide funds for the construction of a public facility provided:

(a) the construction of the public facility out of the revenues of which such bonds or other evidences of indebtedness are to be payable, as to both principal and interest, has been duly authorized by law;

(b) such law, or other applicable law, authorizes the issuance of bonds or other evidences of indebtedness, or other financing sufficient to construct completely such facility;

(c) the collection of adequate special revenues to pay such bonds or other evidences of indebtedness, as to both principal and interest, is authorized by such law or other applicable law, but in no event shall obligations be eligible for investment under this paragraph if payable solely out of special assessments on properties benefited by local improvements;

(d) the cost of construction of such facility and the special revenues to pay such bonds or other evidence of indebtedness, as to both principal and invest, have been estimated by qualified engineers or other experts;

(e) such revenues will be, in the judgment of the insurer, adequate for the payment of such bonds or other evidences of indebtedness.

I, GREGORY V. SERIO, Superintendent of Insurance of the State of New York, do hereby certify that the foregoing First Amendment to Part 173 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulation No. 31) was duly adopted by me on this day pursuant to the authority granted by Sections 201, 301, 1403(c), 1404(a)(1), and 1405(a)(1) of the Insurance Law, to take effect upon publication in the State Register.

A prior notice of this regulation amendment was published in the State Register on May 15, 2002 as a Notice of Proposed Rulemaking. No other publication or prior notice is required by statute.

Gregory V. Serio
Superintendent of Insurance

August 1, 2002