

**NEW YORK STATE
INSURANCE DEPARTMENT
REGULATION NO. 50
(11 NYCRR 12)**

**AGENT TRAINING ALLOWANCE SUBSIDIES
FOR CERTAIN LIFE INSURANCE AND ANNUITY BUSINESS**

I, Eric Dinallo, Superintendent of Insurance of the State of New York, pursuant to the authority granted by Sections 201, 301, and 4228 of the Insurance Law do hereby promulgate the following new Part 12 of Title 11 of the Official Compilation of Codes, Rules and Regulations (Regulation No. 50) to take effect upon publication in the State Register, to read as follows:

ALL NEW MATERIAL

§ 12.1 Applicability.

The provisions of this section shall apply to all domestic life insurance companies and to all foreign and alien life insurance companies doing business in this state, but not the alien branches of such companies or such companies' subsidiaries not licensed in this state to do an insurance business, nor to fraternal benefit societies. The provisions shall apply only to the types of policies as specified in Insurance Law Section 4228(a).

§ 12.2 Maximum Training Allowance Subsidies.

Insurance Law Section 4228(e)(3)(G) provides that the superintendent shall periodically adjust the cumulative maximum training allowance subsidy limits to agents set forth in sections 4228 (e)(3)(C) through (E) for agents with respect to the types of policies specified in Insurance Law Section 4228(a). Accordingly, the amounts as specified in section 4228(e)(3)(C) through (E) are adjusted as follows:

(a) Subparagraph(e)(3)(C): an agent may receive a training allowance subsidy, provided:

- (1) the agent has earned less than \$26,000 from the sale of policies and contracts cumulatively during the three years prior to such agent's appointment; or
- (2) less than 25 percent of the agent's earned income has been received from the sale of policies and contracts during each of the three years prior to appointment.

(b) Subparagraph (e)(3)(D): an agent may not receive a training allowance subsidy, on a cumulative basis:

- (1) for an agent in the first year of the subsidies, the greater of \$37,000 and 60 percent of the first year commission limit;

(2) for an agent in the second year of the subsidies, the greater of \$58,000 and 60 percent of the first year commission limit in the first year and 40 percent of the first year commission limit in the second year;

(3) for an agent in the third year of such subsidies, the greater of \$71,000 and 60 percent of the first year commission limit in the first year and 40 percent of the first year commission limit in the second year, and 20 percent of the first year commission limit for the third year; and

(4) for an agent in the fourth year of such subsidies, the greater of \$78,000 and 60 percent of the first year commission limit in the first year and 40 percent of the first year commission limit in the second year, 20 percent of the first year commission limit in the third year, and 10 percent of the first year commission limit in the fourth year.

(c) Subparagraph (e)(3)(E): if the agent has earned at least \$86,000 of income during either of the two calendar years immediately preceding commencement of receipt of training allowance subsidies, a company may pay additional training allowance subsidies of \$1,300 to the agent during each of the first two years of this agent's receipt of training allowance subsidies for every \$2,600 of the earned income in excess of \$86,000, provided that the cumulative training allowance subsidy does not exceed \$59,000 in the agent's first year of receipt of training allowance subsidy and provided further that the agent receives not greater than \$78,000 in total training allowance subsidies.

I, Eric Dinallo, Superintendent of Insurance of the State of New York, do hereby certify that the foregoing is a new Part 12 of Title 11 (Regulation No. 50), promulgated by me on September 28, 2007, pursuant to the authority granted by Sections 201, 301 and 4228 of the Insurance Law, to take effect upon publication in the State Register.

Pursuant to the provisions of the State Administrative Procedure, prior notice of the proposed regulation was published in the State Register on August 8, 2007. No other publication or prior notice is required by statute.

Eric Dinallo
Superintendent of Insurance

Date: September 28, 2007