

Assessment of Public Comments on Third Amendment to Insurance Regulation 60 (11 NYCRR 51).

The Department of Financial Services (“Department”) received public comments on its proposed Third Amendment to 11 NYCRR 51 (Insurance Regulation 60) from two industry trade associations.

A trade association representing affected insurance producers submitted a comment supporting the proposed amendment to Insurance Regulation 60. It commented that “the proposed regulatory changes strike the proper balance between the consumers’ ability to complete a desired transaction in a timely fashion and continue to be protected from inappropriate and/or misleading sales by having the requisite information to make informed decisions. . . .”

A trade association representing New York authorized life insurers commented that it supported the proposed amendment to Insurance Regulation 60, especially the provisions that provide life insurers the flexibility to determine at which point during a replacement transaction the requisite Disclosure Statement needs to be delivered to the applicant (§§ 51.5(c)(7), 51.6(b)(3), and 51.6(b)(5)). In addition, the trade association requested clarification of § 51.6(b)(10), with respect to when a revised Disclosure Statement must be provided if the policy or contract as issued differs from the coverage that had been applied for. The Department revised the amendment to clarify that the revised Disclosure Statement could be provided at the insurer’s option earlier than the delivery of the policy or contract but no later than the date of such delivery.