

**NEW YORK STATE
INSURANCE DEPARTMENT**

**AMENDMENTS TO REGULATIONS NO. 89, 89-A, AND 89-B
(11 NYCRR 18)
NEW YORK INSURANCE EXCHANGE, INC.**

**SECOND AMENDMENT TO REGULATION NO. 89
(11 NYCRR 18-1)
GENERAL**

**FIRST AMENDMENT TO REGULATION NO. 89-A
(11 NYCRR 18-2)
INVESTMENTS IN UNDERWRITING MEMBERS, BROKER MEMBERS AND
ASSOCIATE BROKERS**

**FIRST AMENDMENT TO REGULATION NO. 89-B
(11 NYCRR 18-3)
CRITERIA FOR ELIGIBILITY FOR THE POSITION OF
PUBLIC GOVERNOR**

I, Gregory V. Serio, Superintendent of Insurance of New York, pursuant to the authority granted by Sections 201 and 301 and Article 62 of the Insurance Law, do hereby promulgate the following: the Second Amendment to Subpart 18-1 (Regulation No. 89), the First Amendment to Subpart 18-2 (Regulation No. 89-A), and the First Amendment to Subpart 18-3 (Regulation No. 89-B) of Part 18 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York, to take effect upon publication in the State Register.

The statutory authority references for Part 18 are repealed and a new statutory authority is added to read as follows:

Insurance Law Sections 201, 301, and Article 62

Section 18-1.0 of Subpart 18-1 of Part 18 is amended to read as follows:

§18-1.0 Introduction.

(a)(1)This Part was initially promulgated in 1979. However, in November 1987, the members of the New York Insurance Exchange, Inc. voted to suspend writing new and renewal business, and no business has been written on the Exchange since that time. In November 1999, the New York Insurance Exchange, Inc. was liquidated. Nonetheless, because article 62 remains in the Insurance Law, this Part is continued. The original statutory references have been retained.

(2) Section 425-a, now article 62 of the Insurance Law, was added by chapter 480 of the Laws of 1978, effective July 20, 1978, and was amended by chapter 11 of the Laws of 1979, effective February 28, 1979. Subdivision 1 of section 425-a, now section 6201(a), provides for the creation of a New York insurance exchange, subject to such regulations as may be promulgated by the superintendent; subdivision 6 of section 425-a, now section 6203(c), makes the Insurance Law and regulations promulgated thereunder applicable to the exchange, its members, and the insurance or reinsurance written through the exchange except as may be exempted by the superintendent pursuant to regulation; provided, however, that no such exemption shall be unfairly discriminatory or detrimental to the solvency of licensed insurers.

(b) This Part [is promulgated to implement] implements the provisions of section 425-a, now article 62, by specifying sections of the Insurance Law and regulations promulgated thereunder which shall not apply, in whole or in part, to the New York Insurance Exchange and its members, and to the insurance and reinsurance written through the exchange.

Section 18-2.0 of Subpart 18-2 of Part 18 is amended to read as follows:

§18-2.0 Introduction.

(a)(1) This Subpart was initially promulgated in 1979. However, in November 1987, the members of the New York Insurance Exchange, Inc. voted to suspend writing new and renewal business, and no business has been written on the Exchange since that time. In November 1999, the New York Insurance Exchange, Inc. was liquidated. Nonetheless, because article 62 remains in the Insurance Law, this Subpart is continued. The original statutory references have been retained.

(2) Section 425-a, now article 62 of the Insurance Law, was added by chapter 480 of the Laws of 1978, effective July 20, 1978, and was amended by chapter 11 of the Laws of 1979, effective February 28, 1979. Subdivision 1 of section 425-a, now section 6201(a), provides for the creation of a New York insurance exchange, subject to such regulations as may be promulgated by the superintendent; subdivision 6 of section 425-a, now section 6203(d), gives the superintendent authority to establish limitations on investments in members of the exchange.

(b) This Subpart [is promulgated to implement] implements the provisions of subdivision 6 of section 425-a, now section 6203(d) of the Insurance Law by establishing the limitations on investments as set forth in section 18-2.2 of this Subpart.

Section 18-3.0 of Subpart 18-3 of Part 18 is amended to read as follows:

§18-3.0 Introduction.

(a)(1) This Subpart was initially promulgated in 1979. However, in November 1987, the members of the New York Insurance Exchange, Inc. voted to suspend writing new and renewal business, and no business has been written on the Exchange since that time. In November 1999, the New York Insurance Exchange, Inc. was liquidated. Nonetheless, because article 62 remains in the Insurance Law, this Subpart is continued. The original statutory references have been retained.

(2) Section 425-a, now article 62 of the Insurance Law was added by chapter 480 of the Laws of 1978, effective July 20, 1978, and was amended by chapter 11 of the Laws of 1979, effective February 28, 1979. Subdivision 1 of section 425-a, now section 6201(a), provides for the creation of a New York insurance exchange, subject to such regulations as may be promulgated by the superintendent.

(b) This Subpart [is promulgated to implement] implements the provisions of [subdivision 2 of section 425-a] article 62 of the Insurance Law[, as amended by chapter 11 of the Laws of 1979, effective February 28, 1979], by establishing criteria [which will] to enable the initial board of governors or the nominating committees to determine the eligibility of nominees for the positions of public governor of the exchange.