

**NEW YORK STATE
INSURANCE DEPARTMENT**

**FIRST AMENDMENT TO REGULATION NO. 12
(11 NYCRR 172)**

FRATERNAL BENEFIT SOCIETIES: INVESTMENT IN REAL ESTATE

I, Gregory V. Serio, Superintendent of Insurance of the State of New York, pursuant to the authority granted by Sections 201, 301, 1403, 1404, 4514, and 4525 of the Insurance Law, do hereby promulgate the following First Amendment to Part 172 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulation No. 12), 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The statutory authority references for Part 172 are repealed and a new statutory authority is added to read as follows:

Insurance Law Sections 201, 301, 1403, 1404, 4514, and 4525

Section 172.1 is amended to read as follows:

§ 172.1 Interpretation of Insurance Law.

Pursuant to [subdivision (a)] subsection (b) of section [473] 4525 and to sections [80 and 81] 1403 and 1404 of the Insurance Law, any fraternal benefit society may invest its admitted assets in real or personal property to be deemed a part of its admitted assets, to the extent permitted and within the limitations imposed by [subdivision 7 of section 81] section 1404(a)(5) and may continue to hold as an admitted asset only such real or personal property, heretofore acquired by it, as conforms to the requirements and limitations of said [subdivision 7] paragraph (5). All other real or personal property lawfully acquired, held or maintained by any such society shall be acquired and maintained only out of the general or expense fund of such society, any voluntary contributions which it may receive therefor, and such reasonable charges as may be made for the facilities or services furnished thereby. [Paragraph (b) of subdivision 7 of section 81] Section 1404(a)(5)(A)(ii) is hereby so construed as to include only real property requisite for its convenient accommodation in the transaction of its insurance business. To the extent that [subdivision 7 of] section [461] 4514(g) conflicts with [subdivision (a)] subsection (b) of section [473] 4525 of the Insurance Law, it is hereby declared that the foregoing is the correct interpretation of the Insurance Law.