

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
FIRST AMENDMENT TO INSURANCE REGULATION 50
(11 NYCRR 12)**

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

I, Maria T. Vullo, Superintendent of Financial Services, do hereby promulgate the following First Amendment to Part 12 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Insurance Regulation 50) pursuant to the authority granted by Sections 202 and 302 of the Financial Services Law and Sections 301 and 4228 of the Insurance Law, to take effect upon publication in the State Register, to read as follows:

(MATTER IN BRACKETS IS DELETED; MATTER UNDERLINED IS NEW)

Section 12.2 is amended as follows:

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~~] \$30,000 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~~] \$43,000 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~~] \$67,000 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~~] \$82,000 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~~] \$90,000 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] \$99,000 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] \$1,500 to the agent during each of the first two years of this agent's receipt of training allowance subsidies for every [\$2,600] \$3,000 of the earned income in excess of [\$86,000] \$99,000, provided that the cumulative training allowance subsidy does not exceed [\$59,000] \$68,000 in the agent's first year of receipt of a training allowance subsidy and provided further that the agent receives not greater than [\$78,000] \$90,000 in total training allowance subsidies.



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Maria T. Vullo
Superintendent

I, Maria T. Vullo, Superintendent of Financial Services, do hereby certify that the foregoing is the First Amendment to Part 12 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Insurance Regulation 50), entitled "Agent Training Allowance Subsidies for Certain Life Insurance and Annuity Business", promulgated by me on January 9, 2017, pursuant to the authority granted by Sections 202 and 302 of the Financial Services Law and Sections 301 and 4228 of the Insurance Law, to take effect upon publication in the State Register.

Pursuant to the provisions in the State Administrative Procedure Act, prior notice of the proposed regulation was published in the State Register on November 9, 2016. No other publication or prior notice is required by statute.

A handwritten signature in blue ink, appearing to read "M. Vullo", written over a horizontal line.

Maria T. Vullo
Superintendent of Financial Services

Date: January 9, 2017