

Summary of the Assessment of Public Comments for the First Amendment to 11 NYCRR 224 (Insurance Regulation 187).

The New York State Department of Financial Services (the “Department”) proposed the First Amendment to Part 224 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Insurance Regulation 187) in December 2017 and received comments to the proposed amendment. On May 16, 2018, the Department released a revised proposal for public comment as well as an assessment of the public comments received in response to the initial proposal. The Department received 36 sets of comments on the revised proposal.

The Department received comments from individuals and entities including insurers, producers, industry trade associations, consumer groups, and others. The Department also met with several interested parties during the comment period to discuss the proposal and to obtain clarification of the comments that were submitted. Some of the meetings with industry representatives consisted of detailed drafting sessions in which the Department and industry representatives carefully reviewed and discussed the language of the revised proposal and drafted clarifying language for various sections of the revised proposal. Many commenters again commended the Department for its efforts and most commenters again expressed support for a best interest standard for life insurance and annuity transactions. Many commenters also expressed support for the revisions that the Department made to the revised proposal. Some of the commenters who expressed support for the revisions nevertheless requested that the Department make some additional language-specific tweaks to certain sections of the revised language for greater clarification. The differences between the revised proposal and the final regulation are related to this type of wordsmithing and clarification rather than making substantive changes to the requirements or intent of the rule. Some other commenters essentially just repeated comments that they provided on the initial proposed amendment with no new information or justification supporting the comments.

Generally, comments received during the comment period addressed issues such as the scope and the meaning and/or particular wording of nearly every section of the proposed rule. While the Department made some of the recommended clarifications, the Department did not make other recommended revisions because the Department determined, based on its experience and knowledge, that the revisions were unnecessary within the context of the proposal, were inconsistent with the standards or the purpose of the proposal, or were better addressed with an explanation in this assessment.

The Department addresses each of the comments in full in the complete version of the assessment of public comments, which will be posted on the Department's website.