

**STATE OF NEW YORK  
DEPARTMENT OF FINANCIAL SERVICES  
FOURTH AMENDMENT TO 11 NYCRR 94  
(INSURANCE REGULATION 56)**

**VALUATION OF INDIVIDUAL AND GROUP ACCIDENT AND HEALTH INSURANCE  
RESERVES**

I, Linda A. Laceywell, Superintendent of Financial Services, pursuant to the authority granted by Sections 202 and 302 of the Financial Services Law and Sections 301, 1303, 1304, 1305, 1308, 4117, 4217, 4310, and 4517 of the Insurance Law, do hereby promulgate the Fourth Amendment to Part 94 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Insurance Regulation 56) to take effect upon publication of the Notice of Adoption in the State Register, to read as follows:

**(New Matter is Underscored; Matter in Brackets is Deleted)**

**Section 94.4(b)(1)(ii)(a)(I)(ii)(A) is amended to read as follows:**

(A) in order to calculate the claim reserve as of December 31, [2001] 2002 an insurer may increase the adjusted termination rates for months 10 through 24 by 10 percent but must use 100 percent of the adjusted termination rates for all claim durations beyond the 24th month;

**Section 94.10(a)(1)(iii)(a) is amended to read as follows:**

(a) Contract Reserves. In establishing contract reserves:

(1) For contracts issued on or after January 1, 1986 and prior to January 1, 2019: The 1985 NAIC Cancer Claim Cost Tables, ATTACHMENT FOUR – D, *NAIC Proceedings - 1986 Vol. I, pp. 601 through 624*<sup>9</sup> shall be used. A copy of such document as adopted by the National Association of Insurance Commissioners, 2301 McGee Street, Suite 800, Kansas City, MO 64108-2662, in 1986 is available for public inspection at the Department of Financial Services' offices at One Commerce Plaza, Albany, New York 12257 and at One State Street, New York, New York 10004.

(2) For contracts issued on or after January 1, 2019:

(i) For first occurrence and hospitalization benefits: The 2016 Cancer Claim Cost Valuation Tables (2016 CCCVT)<sup>10</sup> shall be used.

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<sup>9</sup> NAIC PROCEEDINGS – 1986 VOL. I © Copyright 1986 by National Association of Insurance Commissioners, in Kansas City, Missouri.

<sup>10</sup> 2016 Cancer Claim Cost Valuation Tables (2016 CCCVT), published by the National Association of Insurance Commissioners, are hereby incorporated by reference in this Part. The 2016 CCCVT are readily available without charge at the following internet address: [www.naic.org/documents/01\\_naic\\_2017\\_cancer\\_claim\\_cost\\_valuation\\_table.xlsx](http://www.naic.org/documents/01_naic_2017_cancer_claim_cost_valuation_table.xlsx). The 2016 CCCVT are also available for public inspection and copying at the New York State Department of Financial Services, One State Street, New York, NY 10004.

(ii) For all other benefits: an insurer shall use assumptions based on company experience, relevant industry experience, and actuarial judgment. These assumptions should be appropriate for valuation that considers margin for adverse experience.

(3) An insurer may elect to apply the morbidity standards described in subclause (2) of this clause for contracts issued on or after January 1, 2018 and prior to January 1, 2019, provided the same standards are applied to all contracts issued on or after the date elected.

**Footnote 10 in section 94.10(a)(1)(iv)(a) is renumbered as footnote 11.**

**Footnote 11 in section 94.10(c)(1) is renumbered as footnote 12.**



## Department of Financial Services

**ANDREW M. CUOMO**  
Governor

**LINDA A. LACEWELL**  
Superintendent

I, Linda A. Lacewell, Superintendent of Financial Services, do hereby certify that the foregoing is the Fourth Amendment to Part 94 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Insurance Regulation 56) signed by me on November 7, 2019 pursuant to the authority granted by Sections 202 and 302 of the Financial Services Law and Sections 301, 1303, 1304, 1305, 1308, 4117, 4217, 4310, and 4517 of the Insurance Law, to take effect upon publication in the State Register.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed rule was published in the State Register on May 15, 2019. No other publication or prior notice is required by statute.

Linda A. Lacewell  
Superintendent of Financial Services

Date: November 7, 2019