

**STATE OF NEW YORK
DEPARTMENT OF FINANCIAL SERVICES
SEVENTEENTH AMENDMENT TO INSURANCE REGULATION 172
(11 NYCRR 83)**

FINANCIAL STATEMENT FILINGS AND ACCOUNTING PRACTICES AND PROCEDURES

I, Adrienne A. Harris, Superintendent of Financial Services, pursuant to the authority granted by Sections 202 and 302 of the Financial Services Law; Sections 107(a)(2), 301, 307, 308, 1109, 1301, 1302, 1308, 1404, 1405, 1407, 1411, 1414, 1501, 1505, 3233, 4117, 4233, 4239, 4301, 4310, 4321-a, 4322-a, 4327, and 6404 of the Insurance Law; and Article 44 of the Public Health Law, do hereby promulgate the Seventeenth Amendment to Part 83 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Insurance Regulation 172) to take effect upon publication of the Notice of Adoption in the State Register to read as follows:

(NEW MATTER UNDERSCORED, DELETED MATTER IN BRACKETS)

Section 83.2(c) is amended as follows:

(c) To assist in the completion of the financial statements, the NAIC also adopts and publishes from time to time certain policy, procedure, and instruction manuals. The latest of these manuals, the *Accounting Practices and Procedures Manual as of March [2021] 2023*¹ (accounting manual), includes a body of accounting guidelines referred to as statements of statutory accounting principles (SSAPs). The accounting manual shall be used in the preparation of quarterly statements and the annual statement for [2021] 2023, which will be filed in [2022] 2024.

Section 83.4(f) and (p) are amended as follows:

(f)(1) Paragraph 6 of SSAP No. 25, “Affiliates and Other Related Parties”, is not adopted. Insurance Law section 1501(c) provides that the superintendent may determine upon application that any person does not, or will not upon the taking of some proposed action, control another person. 10 NYCRR 98-1.9(d) authorizes the Commissioner of Health to make a similar determination with respect to organizations with a certificate of authority pursuant to Public Health Law article 44.

(2) Paragraphs [9 and 10]11 and 12 of SSAP No. 25 are not adopted. Insurance Law section 4310(b) provides that certain article 43 corporations described therein may invest, in the aggregate, not more than three percent of their admitted assets in obligations, shares or other securities issued by a parent corporation which is organized as a not-for-profit entity or a corporation which is an affiliate or will be an affiliate after direct or indirect acquisition by the parent corporation. Insurance Law section 1407(a)(4) prohibits accident and health insurers and property/casualty insurers from investing in obligations, shares or other securities issued by a parent corporation or a corporation which is an affiliate or will be an affiliate after direct or indirect acquisition by the insurer. Further, loans and advances between a domestic controlled insurer and any person in its holding company system are subject to the reporting and approval thresholds prescribed in Insurance Law section 1505. Insurance Law section 1411(f) prohibits loans to officers and directors, except as permitted under Insurance Law section 1411(h)(2).

¹ *ACCOUNTING PRACTICES AND PROCEDURES MANUAL AS OF MARCH [2021] 2023*. © Copyright 1999 – [2021] 2023 by National Association of Insurance Commissioners, Kansas City, Missouri.

(p) Paragraph 9 of SSAP No. 73, “Health Care Delivery Assets and Leasehold Improvements in Health Care Facilities”, is [not] adopted[.] with the following exception: Durable medical equipment, furniture, medical equipment and fixtures, and leasehold improvements shall be depreciated utilizing a depreciation schedule no less conservative than that set forth in the latest revision of ESTIMATED USEFUL LIVES OF DEPRECIABLE HOSPITAL ASSETS (REVISED 2018 EDITION).² The document may also be viewed at the New York State Department of Financial Services’ New York City office at One State Street, New York, NY 10004. Lease improvements in health care facilities shall be amortized against net income over the shorter of their estimated useful life or the remaining life of the original lease excluding renewal or option periods, using methods detailed in SSAP No. 19.

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KATHY HOCHUL
Governor



ADRIENNE A. HARRIS
Superintendent

CERTIFICATION

I, Adrienne A. Harris, Superintendent of Financial Services, do hereby certify that the foregoing is the Seventeenth Amendment to Part 83 (Insurance Regulation 172) of Title 11 of the Official Compilation of the Codes, Rules and Regulations of the State of New York, signed by me on October 12, 2023 pursuant to the authority granted by Financial Services Law Sections 202 and 302; Insurance Law Sections 107(a)(2), 301, 307, 308, 1109, 1301, 1302, 1308, 1404, 1405, 1407, 1411, 1414, 1501, 1505, 3233, 4117, 4233, 4239, 4301, 4310, 4321-a, 4322-a, 4327, and 6404; and Public Health Law Article 44, to take effect upon the publication of the Notice of Adoption in the State Register.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed rule was published in the New York State Register on August 2, 2023. No other publication or prior notice is required by statute.

Signed copy filed with Department of State
Adrienne A. Harris
Superintendent of Financial Services

Date: October 12, 2023