NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
THIRD AMENDMENT TO 11 NYCRR 12

AGENT TRAINING ALLOWANCE SUBSIDIES
FOR CERTAIN LIFE INSURANCE AND ANNUITY BUSINESS

I, Kaitlin Asrow, Acting Superintendent of Financial Services, pursuant to the authority granted by Financial Services Law Sections 202 and 302 and Insurance Law Sections 301 and 4228, do hereby promulgate the following Second Amendment to Part 12 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York, to take effect upon the publication of the Notice of Adoption 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 <u>that</u>:

(1) the agent has earned less than [$36,000] <u>$40,000</u> 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<u>; or</u>

<u>(3) less than 25 percent of the agent's worktime during each of the three years prior to appointment was allocated to individual life and annuity sales</u>.

(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 [$51,000] <u>$54,000</u> and 60 percent of the first year commission limit;

(2) for an agent in the second year of the subsidies, the greater of [$80,000] <u>$85,000</u> 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 [$97,000] <u>$105,000</u> 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 [$107,000] $116,000 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 [$117,000] $127,000 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 [$1,800] $2,000 to the agent during each of the first two years of this agent's receipt of training allowance subsidies for every [$3,600] $4,000 of the earned income in excess of [$117,000] $127,000, provided that the cumulative training allowance subsidy does not exceed [$81,000] $87,000 in the agent's first year of receipt of training allowance subsidy and provided further that the agent receives not greater than [$107,000] $116,000 in total training allowance subsidies.

CERTIFICATION

I, Kaitlin Asrow, Acting Superintendent of Financial Services, do hereby certify that the foregoing is the Third Amendment to Part 12 of Title 11 of the Official Compilation of Codes, Rules, and Regulations of the State of New York, signed by me on June 17, 2026, pursuant to the authority granted by Financial Services Law Sections 202 and 302 and Insurance Law Sections 301 and 4228, 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 April 8, 2026. No other publication or prior notice is required by statute.

Signed copy filed with Department of State
Kaitlin Asrow
Acting Superintendent of Financial Services

Date: June 17, 2026