



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Maria T. Vullo
Superintendent

January 15, 2019

Ms. Jane Hamm
State Register/Office of Information Services
New York State Department of State
One Commerce Plaza
99 Washington Avenue, Suite 650
Albany, NY 12231

Re: State Administrative Procedure Act § 207
Three and Five-year Review of Agency Rulemakings

Dear Ms. Hamm:

Attached is the Department of Financial Services' initial three-year review and five-year review of rulemakings, prepared pursuant to Section 207 of the State Administrative Procedure Act, for publication in the January 30, 2019 State Register. The attached document is divided into four sections: (1) introduction; (2) insurance regulations promulgated in 2016, 2014, 2009, 2004, and 1999; (3) banking regulations promulgated in 2016, 2014, 2009, 2004, and 1999; and (4) financial services regulations promulgated in 2014 (none were promulgated in 2016).

Sincerely yours,

Camielle Barclay

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cc: Sally Geisel
Christine Tomczak

INTRODUCTION

Pursuant to Section 207 of the State Administrative Procedure Act, Review of Existing Rules, the Department of Financial Services (the “Department”) must review, after five years and at five-year intervals thereafter, rulemakings adopted on or after January 1, 1998. In addition, effective January 1, 2013, for any rule that requires a regulatory flexibility analysis, rural area flexibility analysis, or job impact statement, the Department must initially review that rule in the third calendar year after the year the rule first was adopted. The purpose of the review is to analyze the need for and legal basis of the adopted rulemakings. Please note that all references to the “Department” and the “Superintendent” prior to October 3, 2011 mean, respectively, the former Insurance Department or Banking Department and the former Superintendent of Insurance or Superintendent of Banking, as appropriate to the context, and that the references to laws cited are as of the date of the amendment to the regulations.

PART 1. INSURANCE REGULATIONS

Notice is hereby given of the following rules relating to insurance that the Department will review this year to determine whether they should be continued or modified. These rules were adopted in 2016, 2014, 2009, 2004, and 1999. These rules as published in the State Register (“Register”) contain a regulatory flexibility analysis, a rural area flexibility analysis and/or a job impact statement. If no such analysis was filed, a statement setting forth why one or all of those analyses was unnecessary was published in the Register. Public comment on the continuation or modification of the following rules is invited. Comments must be received within 60 days of the date of publication of this notice. Comments should be submitted to:

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Unless otherwise noted, the Department intends to continue the rules discussed herein without modification, while continually monitoring the regulations to ensure that the provisions remain consistent with related statutory and regulatory requirements.

The following rulemakings were adopted in 2016:

- Amendment to Part 52 (Insurance Regulation 62) (Minimum Standards for Form, Content, and Sale of Health Insurance, Including Standards for Full and Fair Disclosure) of Title 11 NYCRR, effective September 18, 2016.

Statutory Authority: Financial Services Law Sections 202 and 302 and Insurance Law Sections 301 and 3201(c).

This amendment to Insurance Regulation 62 prohibits any insurer from providing coverage in any insurance policy or contract delivered or issued for delivery in New York for conversion therapy for any individual under the age of 18 years. Conversion therapy refers to any practice by a mental health professional that seeks to change an individual's sexual orientation or gender identity, including efforts to change behaviors or gender expressions, or to eliminate or reduce sexual or romantic attractions or feelings toward individuals of the same sex.

- Amendment to Part 52 (Insurance Regulation 62) (Minimum Standards for Form, Content, and Sale of Health Insurance, Including Standards for Full and Fair Disclosure) of Title 11 NYCRR, effective November 16, 2016.

Statutory Authority: Financial Services Law Sections 202 and 302, and Insurance Law Sections 301, 3201, 3217, 3221, and 4237.

This amendment to Insurance Regulation 62 allows a blanket accident insurance policy that is issued in accordance with N.Y. General Business Law ("GBL") § 1015.11 to contain a provision that its benefits are excess or always secondary to any plan. GBL § 1015.11 requires every licensed promoter

of authorized combative sports and professional wrestling to provide accident insurance for the protection of licensed professionals and wrestlers appearing in authorized combative sports matches or professional wrestling exhibitions on and after September 1, 2016, and authorizes the State Athletic Commission (“SAC”) to promulgate regulations necessary to implement this legislation. In 2016, the SAC repealed and promulgated a new 19 NYCRR 208, which, among other things, provides that the accident insurance policy may be either primary or secondary to any other applicable insurance coverage held by the licensed professional or wrestler participant.

- Addition of new Subpart 151-7 (Insurance Regulation 119) (Workers’ Compensation Safe Patient Handling Program) of Title 11 NYCRR, effective November 23, 2016.

Statutory Authority: Financial Services Law Sections 202 and 302 and Insurance Law Sections 301 and 2304(j).

This new Subpart fulfills statutory mandates by requiring an insurer to provide a credit on each workers’ compensation insurance policy issued or renewed in New York State to a health care facility that implements and maintains a safe patient handling program pursuant to the requirements prescribed in the Public Health Law. The rule also requires every workers’ compensation rate service organization to file certain information with the Superintendent by June 1 of each year so that the Superintendent may collect information for the reports due to the Legislature in 2018 and 2020. The rule was effective as of July 1, 2016.

- Addition of new Part 76 (Insurance Regulation 209) (Commercial Crime Coverage Exclusions) of Title 11 NYCRR, effective July 21, 2017.

Statutory Authority: Financial Services Law Sections 202 and 302, and Insurance Law Sections 301 and 2307 and Articles 23, 24, and 34.

This new Part 76 furthers New York State's public policy by prohibiting commercial crime policy exclusions for loss or damage caused by an employee who had been convicted of a criminal offense prior to employment by the employer when the employer hired such employee using the factors set forth in Correction Law Article 23-A. Correction Law Article 23-A establishes New York State's public policy encouraging licensure and employment of persons previously convicted of a criminal offense. The law prohibits discrimination against such persons, unless there is a direct relationship between the previous offense and the employment sought or held, or if the granting or continuation of employment would involve an unreasonable risk to property or personal safety or welfare. However, commercial crime insurance policies often exclude coverage for loss or damage caused by an employee who was previously convicted of a criminal offense, where the employer knew about the conviction prior to the loss or damage. This placed an employer in the position of being unable to obtain insurance or violating the Correction Law by not hiring the individual, even though a review of the Correction Law factors weighs in favor of employment.

The following rulemakings were adopted in 2014:

- Amendment to Part 226 (Insurance Regulation 200) (Unclaimed Life Insurance Benefits and Policy Identification) of Title 11 NYCRR, effective February 12, 2014.

Statutory Authority: Financial Services Law Sections 202 and 302, and Insurance Law Sections 301, 316, 1102, 1104, 2601, 3240 (Unclaimed benefits), 4521, and 4525 and Article 24.

This amendment to Insurance Regulation 200 ensures that policy owners and beneficiaries are provided with all the benefits for which they have paid and to which they are entitled, by requiring insurers to implement reasonable procedures to identify unclaimed death benefits, locate beneficiaries, and make prompt payments. This rulemaking also requires insurers to respond to requests from the

Superintendent to search for policies insuring the life of, or owned by, decedents, and to initiate the claims process for any death benefits that are identified because of those requests.

- Addition of new Part 244 (Insurance Regulation 168) (Confidentiality Protocols for Victims of Domestic Violence and Endangered Individuals) of Title 11 NYCRR, effective April 9, 2014.

Statutory Authority: Financial Services Law Sections 202 and 302, and Insurance Law Sections 301 and 2612.

This new Part 244 implements the requirement contained in Insurance Law § 2612 that the Superintendent, in consultation with the Commissioner of Health, the Office of Children and Family Services, and the Office for the Prevention of Domestic Violence, promulgate rules to guide and enable insurers to guard against the disclosure of confidential information relating to victims of domestic violence and endangered individuals protected by Insurance Law § 2612.

- Amendment to Part 97 (Insurance Regulation 128) (Market Value Separate Accounts Funding Guaranteed Benefits; Separate Account Operations and Reserve Requirements) of Title 11 NYCRR, effective June 25, 2014.

Statutory Authority: Financial Services Law Sections 202 and 302 and Insurance Law Sections 301, 1403, 1405, 1414, 4217, and 4240.

This amendment to Insurance Regulation 128 prescribes minimum and maximum rates for discounting guaranteed benefit cash flows to ensure that life insurers maintain prudent levels of reserves. This amendment also changed the filing due date of the actuarial memorandum that life insurers are required to file with the Department, pursuant to Section 97.6 of this rule, between March 1 and March 15 to allow insurers adequate time to prepare their filings (several other statutory filings are due by March 1).

- Addition of new Part 82 (Insurance Regulation 203) (Enterprise Risk Management and Own Risk and Solvency Assessment) of Title 11 NYCRR, effective June 25, 2014.

Statutory Authority: Financial Services Law Sections 202 and 302 and Insurance Law Sections 110, 301, 309, 316, 1115, 1501, 1503, 1504(c), 1604, 1702, and 1717, and Articles 15, 16, and 17.

In 2010, the National Association of Insurance Commissioners (“NAIC”) amended its model Insurance Holding Company System Regulatory Act (“model Holding Company Act”) and Insurance Holding Company System Model Regulation to require a holding company to adopt a formal enterprise risk management (“ERM”) function and file an enterprise risk report. The NAIC also adopted a new Risk Management and Own Risk and Solvency Assessment Model Act (“model ORSA Act”) and an accompanying ORSA guidance manual, which requires a domestic insurer (or its holding company system) to complete a self-assessment of its risk management, stress tests, and capital adequacy annually. Chapter 238 of the Laws of 2013 incorporated the model Holding Company Act’s requirement that a holding company or domestic insurer with subsidiaries adopt a formal ERM function and file an enterprise risk report. This new Part 82 prescribes specific requirements for an ERM function and enterprise risk report, and requires certain domestic insurers to conduct an assessment of their risk management and file an ORSA summary report to minimize the potential for specific harm to the insurers and their policyholders.

The Department is considering amending Insurance Regulation 203 to permit the Superintendent to act as group-wide supervisor for an internationally active insurance group, as well as to require a holding company and certain domestic insurers to describe their enterprise risk management functions in their enterprise risk reports and to clarify certain language.

- Amendment to Part 99 (Insurance Regulation 151) (Valuation of Annuity, Single Premium Life Insurance, Guaranteed Interest Contract, and Other Deposit Reserves) of Title 11 NYCRR, effective August 27, 2014.

Statutory Authority: Financial Services Law Sections 202 and 302 and Insurance Law Sections 301, 1304, 4217, and 4517.

This amendment to Insurance Regulation 151 incorporated a new individual annuity mortality table (which was adopted by the NAIC), to be used to calculate reserves on individual annuities and pure endowments issued or purchased on or after January 1, 2015. The table includes projection scales to reflect mortality improvement.

- Amendment to Part 27 (Insurance Regulation 41) (Excess Line Placements Governing Standards) of Title 11 NYCRR, effective October 8, 2014.

Statutory Authority: Financial Services Law Sections 202 and 302, Insurance Law Sections 301, 316, 1213, 2101, 2104, 2105, 2110, 2116, 2117, 2118, 2121, 2122, 2130, 3103, 5907, 5909, 5911, and 9102 and Articles 21 and 59; Chapter 225 of the Laws of 1997, Chapter 587 of the Laws of 2002, and Chapter 61 of the Laws of 2011.

This amendment to Insurance Regulation 41 implemented the provisions and purposes of Chapter 61 of the Laws of 2011, which amended the Insurance Law to conform to the Non-admitted and Reinsurance Reform Act (“NRRA”), a portion of the Dodd-Frank Act. The NRRA and Chapter 61 took effect on July 21, 2011.

- Amendment to Part 80-1 (Insurance Regulation 52) (Holding Companies) of Title 11 NYCRR, effective November 12, 2014.

Statutory Authority: Financial Services Law Sections 202 and 302 and Insurance Law Sections 301, 1504, and 1506.

This amendment to Insurance Regulation 52 added new requirements and advised applicants that, in determining whether an acquisition may be harmful to the people of this state, the Superintendent may require additional information or impose certain additional conditions to help ensure that an acquisition does not financially harm a New York domestic insurer and is not likely to be hazardous or prejudicial to the insurer's policyholders or shareholders. The amendment also clarified that the submission to the Superintendent of a detailed plan of operations, including five-year financial projections, is mandatory because in practice, the Superintendent always has required, and applicants always have submitted, a detailed plan of operations, together with financial projections.

- Consolidated Amendment to Part 98 (Insurance Regulation 147) and Part 100 (Insurance Regulation 179) (Valuation of Life Insurance Reserves and Recognition of the 2001 CSO Mortality Table for Use in Determining Minimum Reserve Liabilities and Nonforfeiture Benefits and Recognition and Application of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities) of Title 11 NYCRR, effective December 10, 2014.

Statutory Authority: Financial Services Law Section 202 and 302 and Insurance Law Sections 301, 1304, 1308, 4217, 4218, 4221, 4240, and 4517.

This amendment to Insurance Regulation 147 replaced the previous one-year full preliminary term ("FPT") with a two-year FPT for term life insurance. A two-year FPT will result in a lower proportion of the first and second year premiums being held to pay claims that will not arise until well into the future, leading to a buildup in reserves after the second, rather than first, policy year.

This amendment to Insurance Regulation 179 is consistent with mortality improvement. Because insureds are generally living longer, the amendment applied a one percent mortality improvement factor to the current mortality table (2001 CSO) for rates associated with calendar years

2008-2047, and applied a 0.5 percent mortality improvement factor for each year thereafter. These factors apply during the initial level premium period.

Insurance Regulations 147 and 179 subsequently were amended effective April 1, 2015. Insurance Regulation 147 was amended to recognize mortality improvement beyond the valuation date for universal life policies issued on or after January 1, 2015, which guarantees that coverage remains in force if the accumulation of premiums paid satisfies the secondary guarantee requirement. Additionally, a lapse rate of two percent may be used for the first five years, followed by a rate of no more than one percent for the remaining life of the policy. Insurance Regulation 179 was amended to make it consistent with mortality improvement.

The Department is considering amending Insurance Regulation 147 to adopt the 2017 Commissioners Standard Guaranteed Issue Mortality Table (2017 CS GI).

The following rulemakings were adopted in 2009:

- Consolidated Amendment to Part 52 (Insurance Regulation 62) (Minimum Standards for the Form, Content and Sale of Health Insurance, including Standards of Full and Fair Disclosure) and Part 217 (Insurance Regulation 178) (Processing of Health Insurance Claims) of Title 11 NYCRR, effective July 15, 2009.

Statutory Authority: Insurance Law Sections 201, 301, 1109, 2403, 3216, 3221, 3224-a, 3224-b, 4304, and 4305 and Article 43.

These amendments to Insurance Regulation 62 and Insurance Regulation 178 established guidelines for the timely processing of healthcare claims for persons covered by more than one health insurance policy. Insurance Regulation 178 establishes procedures that an insurer, a health maintenance organization (“HMO”), or a private health services plan must follow when it is determined that other coverage may exist. This rule also established requirements for the provider if the provider wishes to

seek payment from the other insurer, and the time in which the provider must act. These procedures include guidelines for those cases when the claim already has been paid before the existence of other coverage is established, as well as when the existence of other coverage is established before any claim payment is made. The guidelines also change the timely filing requirements for those cases where other coverage exists. The time begins to run from the date of notification of other coverage, not from the date of service. Ultimately, these procedures prevent providers from being left with unpaid claims when an insurer recoups payment and the other plan denies the claim for late filing. The amendment to Insurance Regulation 62 cross-references the two regulations.

- Amendment to Part 25 (Insurance Regulation 41) (Excess Lines Placements Governing Standards) of Title 11 NYCRR, effective September 2, 2009.

Statutory Authority: Insurance Law Sections 201, 301, 2101, 2104, 2105, 2110, 2116, 2117, 2118, 2121, 2130, 3103, and 9102 and Article 59.

This amendment to Insurance Regulation 41 added additional coverages to the “export” list and reduces the requisite declinations for several other coverages. Insurance Regulation 41 governs the placement of excess lines insurance. The purpose of the excess line law is to enable consumers who are unable to obtain insurance from authorized insurers to obtain coverage from eligible excess line insurers. An excess line broker is generally required to obtain declinations from authorized insurers before placing the business with an excess line broker. However, the broker does not have to obtain the declinations for certain hard-to-place risks that have been placed on an “export” list. Adding to the “export” list coverages that are hard to place and whose declinations become pro forma (since New York authorized companies are not writing adequate coverage) facilitates placement by excess line brokers of coverage with an eligible excess line insurer.

Insurance Regulation 41 again was amended effective April 10, 2013 to update the “export” list of coverages pursuant to Insurance Law section 2118(b)(4).

- Addition of Part 102 (Insurance Regulation 192) (Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values for Preneed Life Insurance) of Title 11 NYCRR, effective October 28, 2009.

Statutory Authority: Insurance Law Sections 201, 301, 1304, 1308, 4217, 4218, 4221, 4240, and 4517.

This new Part 102 established minimum standards for determining reserve liabilities and nonforfeiture values for preneed life insurance in accordance with statutory reserve formulae.

- Amendment to Part 52 (Insurance Regulation 62) (Minimum Standards for the Form, Content, and Sale of Health Insurance, Including Standards of Full and Fair Disclosure) of Title 11 NYCRR, effective December 9, 2009.

Statutory authority: Insurance Law Sections 201, 301, 1009, and 3234.

Insurance Regulation 62 was amended to conform with the decision by the New York Court of Appeals in Benesowitz v. Metropolitan Life Insurance Company, 8 N.Y.3d 661 (2007). In Benesowitz, the Court of Appeals unanimously construed Insurance Law Section 3234(a)(2) to establish a waiting period, rather than a total bar, for coverage of disabilities due to a pre-existing condition that manifests itself within the first 12 months after an insured's effective date of coverage. In so holding, however, the Court noted that neither its decision nor Section 3234(b) of the Insurance Law prevents insurers from excluding or limiting disability coverage based on an individual's prior medical history other than, or in addition to, a pre-existing condition.

The following rulemakings were adopted in 2004:

- Amendment to Parts 140, 141, 142, 143, and 144 (Insurance Regulation 32-A) (Private Passenger and Commercial Automobile Statistical Plans) of Title 11 NYCRR, effective February 4, 2004.

Statutory Authority: Insurance Law Sections 201, 301, 2304, 2315, 2331, 2332, 2333, and 2334.

This amendment to Insurance Regulation 32-A removed obsolete references and provided a simplified framework for approval and implementation of revisions to statistical plans as market conditions warrant. By eliminating the specific statistical codes from the regulation and by clarifying that the Department must approve all statistical plans, the amendment benefits industry by giving it the flexibility to appropriately modify the plans as market conditions warrant while being in conformity with the revised wording of the regulation.

- Amendment to Part 362 (Insurance Regulation 171) (The Healthy New York Program and The Direct Payment Stop Loss Relief Program) of Title 11 NYCRR, effective February 11, 2004.

Statutory Authority: Insurance Law Sections 201, 301, 1109, 3201, 3216, 3217, 3221, 4235, 4303, 4304, 4305, 4318, 4326, and 4327.

The Legislature enacted Chapter 1 of the Laws of 1999 to provide for the Healthy New York Program, an initiative designed to encourage small employers that do not currently provide health insurance coverage to their employees to offer such coverage, as well as to make coverage available to uninsured employees whose employers do not provide group health insurance coverage. In 2001 the Department adopted Regulation 171 to establish certain procedures and requirements necessary for effective implementation of the legislation.

This amendment to Insurance Regulation 171 clarified eligibility for the Healthy New York Program and simplified the application and administrative process for both enrollees and providers. Clarifying which persons are to be considered household members eliminates the uncertainty involved

in determining household income levels. The correct calculation of household income is crucial because it is a major component in determining eligibility for the Healthy NY Program. Additionally, a simplified standardized application form streamlines the eligibility and administrative process, thereby facilitating enrollment.

The amendment enhanced the implementation and operation of the Healthy NY Program while improving the efficiency that individuals and small employers enjoy in accessing comprehensive health insurance, since the standard application form is made available from many sources.

Insurance Regulation 171 also was amended, effective April 25, 2007, to establish a second Healthy New York benefit package at a reduced premium rate. The second benefit package provided for a lower-cost alternative and permits individuals and small businesses to choose a benefit package that meets their needs. The amendment also eliminated the well-child copayment applicable to the Healthy New York Program to enhance access to preventive and primary care for children, and permitted the Healthy New York Program to be considered qualifying health insurance under the Federal Trade Act of 2002 to allow those qualifying for a federal tax credit to benefit from that credit. This amendment also revised the eligibility requirements relating to employment to lessen complexity and enhance access.

Insurance Regulation 171 again was amended, effective November 7, 2007, to require HMOs and participating insurers to offer high deductible health plans using the Healthy New York small employer and individual programs. This new option provided New Yorkers with access to a tax-advantaged method of purchasing health insurance. The amendment also provided for prostate cancer screening and a limited home health care and physical therapy benefit

In response to an increase in enrollment and claims in the Healthy New York Program, which resulted in health plans applying for significant rate increases to the detriment of the Program's low income enrollees and applicants, the Department promulgated another amendment to Insurance

Regulation 171, effective November 28, 2012, to limit new applicants for coverage effective January 1, 2012 or later, to Healthy New York's high deductible health plans only. The Department believed this approach would strike a balance between protecting existing enrollees from unaffordable rate increases and maintaining an affordable option for those purchasing coverage.

- Adoption of new Part 100 (Insurance Regulation 179) (Recognition of the 2001 CSO Mortality Tables for Use in Determining Minimum Reserve Liabilities and Nonforfeiture Benefits) of Title 11 NYCRR, effective June 23, 2004.

Statutory Authority: Insurance Law Sections 201, 301, 1304, 4217, 4218, 4221, 4224, 4240 and 4517 and Articles 24 and 26.

Insurance Regulation 179 was adopted to recognize, permit, and prescribe the use of the 2001 commissioner's standard ordinary ("CSO") mortality table for life insurance in accordance with Sections 4217, 4221, and 4517 of the Insurance Law. The 2001 CSO table is based on mortality experience from the 1990s supplied by insurers that participated in a Society of Actuaries study on mortality. This table replaces the existing 1980 CSO table for valuing the minimum standards for ordinary life insurance. According to the American Academy of Actuaries Task Force Report, it was expected that the 2001 CSO table would produce overall reserves (excluding deficiency reserves) that would be approximately 20 percent lower than those produced by the 1980 CSO table. Since the use of this table lowers the reserves on ordinary life business, insurers may use the 2001 CSO table only if they provide an Actuarial Opinion based on asset adequacy analysis that complies with 11 NYCRR 95. This adoption of Insurance Regulation 179 gave domestic insurance companies and foreign insurance companies authorized to do business in New York State the ability to compete effectively with companies doing business in other states.

Insurance Regulation 179 was amended, effective December 26, 2007, to recognize and permit the use of the 2001 CSO Preferred Class Structure Mortality Table for preferred lives for individual life insurance and group life insurance products sold to individuals by certificate with premium rates guaranteed from issue for at least two years in accordance with sections 4217 and 4517 of the Insurance Law.

Insurance Regulation 179 again was amended, effective March 16, 2011, to extend the use of the 2001 CSO Preferred Structure Mortality Table to policies issued on or after January 1, 2004. Use of this table allows for the reserves to better match the risks associated with different underwriting classifications. The regulation also was amended, effective December 10, 2014, and April 1, 2015, as discussed earlier.

Insurance Regulation 179 also was amended as part of a consolidated amendment with Insurance Regulation 147 as discussed earlier.

- Amendment to Part 68 (Insurance Regulation 83) (Charges for Professional Health Services) of Title 11 NYCRR, effective October 6, 2004.

Statutory Authority: Insurance Law Sections 201, 301, 2601, and 5221 and Article 51.

This amendment to Insurance Regulation 83 adopted the fee schedule set forth in the New York State Medicaid Management Information System Provider Manual for durable medical equipment, medical/surgical supplies, orthopedic footwear, and orthotic and prosthetic appliances as the schedule that would be used for fees payable for the purchase and rental of durable medical equipment, medical/surgical supplies, orthotic footwear, and orthotic and prosthetic appliances in no-fault.

The regulation also provided that the Workers' Compensation fee schedule ground rules shall control when determining the proper reimbursement amount when a licensed non-physician is providing care under the supervision of a licensed health provider. This would apply in any instance where a

ground rule permits a licensed non-physician to bill at the supervising licensed health provider's rate, such as in the case of a Physical or Occupation Therapist (PT/OT) working under the supervision of a physician. In all other instances, if not specifically controlled by the Workers' Compensation fee schedule, the fee payable is based on the fee schedule of the treating provider. The regulation does not apply reimbursement rates for a physician when the physician personally performs the service.

- Amendment to Part 52 (Insurance Regulation 62) (Minimum Standards for the Form, Content, and Sale of Health Insurance, Including Standards for Full and Fair Disclosure) of Title 11 NYCRR, effective October 27, 2004.

Statutory Authority: Insurance Law Sections 201, 301, 1109, 3201, 3217, 3221, and 4303; and Chapter 82 of the Laws of 2002.

Chapter 82 of the Laws of 2002 enhanced Insurance Law Sections 3221(k)(6) and 4303(s) by adding coverage for procedures used to diagnose and treat infertility when certain conditions are met, and by adding a prescription drug benefit for coverage of prescription drugs approved by the Food and Drug Administration for use in the diagnosis and treatment of infertility. The law directed the Superintendent, in consultation with the Commissioner of Health, to promulgate regulations that would stipulate the guidelines and standards to be used in carrying out the mandates of the legislation.

This amendment to Insurance Regulation 62 directs insurers to use standards and guidelines no less favorable than those established and adopted by the American Society for Reproductive Medicine in relation to the determination of infertility, the identification of experimental procedures and treatments not covered for the diagnosis and treatment of infertility, the identification of the required training, experience and other standards for health care providers for the provision of procedures and treatments for the diagnosis and treatment of infertility, and the determination of appropriate medical candidates by

the treating physician. This amendment also provides insurers with guidance in interpreting the mandates of Chapter 82 of the Laws of 2002.

The following rulemakings were adopted in 1999:

- Amendment to Part 70 (Insurance Regulation 101) (Medical Malpractice Insurance: Required Notices and Rate Modification) of Title 11 NYCRR, effective April 7, 1999.

Statutory Authority: Insurance Law Sections 201, 301, 1113(a)(13) and (14), 3426, 3436, 5504, 5907, 6302, and 6303 and Article 23; and Chapter 639 of the Laws of 1996.

Chapter 639 of the Laws of 1996 authorized the Superintendent to establish rates and surcharges for policies of primary and excess medical malpractice insurance to maintain stability and availability of this insurance in the voluntary market. Part 70 established the framework for the rates and forms of policies of physicians' medical malpractice insurance. This amendment to Insurance Regulation 101 permits insurers to use rates established by the Superintendent for Medical Liability Mutual Insurance Company ("MLMIC") modified by any differences in expenses incurred by the insurer, as opposed to those incurred by MLMIC. Prior to the amendment, insurers were required to use the rates established for MLMIC without any such modification.

Insurance Regulation 101 was amended after it was determined that the marketplace for medical malpractice insurance had been stable for some time, and as such, that competitive forces should be allowed a greater role in determining rates.

Insurance Regulation 101 also was amended, effective July 12, 2000, to establish physicians and surgeons' medical malpractice insurance rates and appropriate surcharges for the policy year July 1, 1999 through June 30, 2000, and to establish rules to collect and allocate surcharges to recover deficits based on past experience.

Insurance Regulation 101 again was amended, effective June 20, 2001, to establish rates and surcharges for primary policies for physicians and surgeons' medical malpractice insurance effective July 1, 2000.

- Amendment of Subpart 60-2 (Insurance Regulation 35-D) (Supplementary Uninsured/Underinsured Motorists Insurance) of Title 11 NYCRR, effective January 27, 1999.

Statutory Authority: Insurance Law Sections 201, 301, and 3420; and Chapter 568 of the Laws of 1997.

This amendment to Insurance Regulation 35-D, which implemented Chapter 568 of the Laws of 1997, increased the amounts of supplementary uninsured/underinsured motorists ("SUM") coverage that must be offered to an insured. The amendment also revised the specific information that must be included in the mandatory availability notices and retitled the mandatory SUM coverage endorsement.

Insurance Regulation 35-D also was amended, effective September 25, 2013, to implement Chapter 11 of the Laws of 2013, which requires SUM coverage for employees of fire departments and ambulance services.

Insurance Regulation 35-D again was amended, effective August 1, 2017, to clarify an inadvertent misinterpretation to ensure that the SUM coverage would not provide less benefits than the mandatory uninsured/underinsured motorist coverage. In addition, this amendment amended the rules related to the manner in which the organization designated by the Superintendent to administer the SUM arbitration program assesses the cost of the program to the insurance industry, in accordance with the recommendation and authorization of the Supplementary Uninsured Motorist Optional Arbitration Advisory Committee, and amends all references in Sections 60-2.3 and 60-2.4 to "AAA/American Arbitration Association" to read "designated organization." Furthermore, this amendment incorporated

various editorial revisions to the prescribed endorsement and other portions of the regulation to clarify the intent and application of the coverage.

Insurance Regulation 35-D again was amended, effective November 28, 2018, in order for Subpart 60-2 to comply with Chapter 490 of the Laws of 2017 and Chapter 15 of the Laws of 2018. Chapter 490 added a new Insurance Law Section 3420(f)(2-a) and Chapter 15 made amendments thereto. Insurance Law Section 3420(f)(2-a) requires an insurer that issues a motor vehicle liability insurance policy originally entered into on or after June 16, 2018, other than a commercial risk insurance policy, to provide SUM insurance coverage for bodily injury, in an amount equal to the bodily injury liability insurance limits of coverage provided under the motor vehicle liability insurance policy, unless the first-named insured declines the SUM insurance or selects a lower amount of coverage through a written, signed waiver. The rule also clarifies which policies are commercial risk policies and which are not, as well as how the law applies to transportation network company policies.

- Repeal of Part 53 of, and addition of a new Part 53 (Insurance Regulation 74) (Life and Annuity Cost Disclosure and Sales Illustrations) to, Title 11 NYCRR, effective February 2, 1999.

Statutory Authority: Insurance Law Sections 201, 301, 308, 1313, 2123, 2208, 2405, 3201, 3203, 3209, 3219, 3222, 4221, 4223, 4226, 4231, 4232, 4240, 4510, 4511, 4513, and 4518; and Banking Law Section 263.

Insurance Regulation 74, as promulgated in 1999, established new rules for the form and content of the preliminary information documents, policy summaries, and sales illustrations for life insurance policies and annuity contracts as required by Chapter 616 of the Laws of 1997.

The Department is considering amending Insurance Regulation 74 to revise and clarify the delivery, signature, and certification form requirements for life insurance sales illustrations, including electronic delivery, for policies marketed with an illustration, to modify the basis used for illustrations

for life insurance policies with non-guaranteed elements, including universal life; to add additional requirements on the disciplined current scale underlying the illustrations; and to require additional disclosures for such policies.

- Addition of Part 74 (Insurance Regulation 159) (Homeowner's Insurance Disclosure Information) to Title 11 NYCRR, effective March 31, 1999.

Statutory Authority: Insurance Law Sections 201, 301, and 3445.

Chapter 44 of the Laws of 1998 added a new Section 3445 to the Insurance Law requiring the Superintendent to establish – by regulation – disclosure requirements with respect to the operation of any deductible in a homeowner's insurance policy or a dwelling fire personal lines policy that applies as the result of a windstorm.

Insurance Regulation 159 prescribes standards for the uniform display of windstorm deductibles, which consists of hurricane and non-hurricane deductibles, in policy declarations. It also set forth the minimum provisions to be contained in the policyholder disclosure notice, which explains the purpose and operation of a hurricane deductible, and which must accompany new and renewal policies containing such deductibles.

Insurance Regulation 159 was amended, effective August 8, 2007, to implement Chapter 162 of the Laws of 2006, which required that when a policyholder received a notice of cancellation, nonrenewal, or conditional renewal for a homeowner's insurance policy with respect to property located in an area served by a market assistance program established by the Superintendent for the purpose of facilitating placement of homeowners insurance, the policyholder must also receive notice from the insurer of possible eligibility for coverage through a market assistance program or through the New York Property Insurance Underwriting Association ("NYPIUA"). This amendment established certain minimum notification requirements to ensure that policyholders that may be eligible for a market

assistance program or NYPIUA receive proper notice of their options, including information necessary to apply for coverage.

- Repeal of Part 185 of, and addition of a new Part 185 (Insurance Regulation 27A) (Policy Provision and Rating Standards for Credit Life and Credit Disability Insurance) to, Title 11 NYCRR, effective May 12, 1999.

Statutory Authority: Insurance Law Sections 201, 301, 3201, 4205, 4216, 4224, and 4235.

Insurance Law Sections 4216 and 4235 authorized credit life insurance and credit accident and health insurance as permitted coverages in this state. Insurance Regulation 27A, as promulgated in 1999, streamlined some of the requirements applicable to insurers authorized to offer credit life insurance and credit accident and health insurance, and generally provided for modest increases in rates with a resultant increase in the expense margins. The regulation also balanced the dual legislative objectives of having the product available while ensuring that insured parties receive fair value for their premium dollar.

Insurance Regulation 27A was amended, effective May 30, 2001, to permit rates for blocks of vendor business to be based on actual experience. The amendment also balanced the legislative objective of having the product available with the legislative objective that insureds receive fair value for their premium dollar.

- Amendment of Part 27 (Insurance Regulation 41) (Excess Line Placements Governing Standards) of Title 11 NYCRR, effective May 19, 1999.

Statutory Authority: Insurance Law Sections 201, 301, 2101, 2104, 2105, 2110, 2116, 2117, 2118, 2121, 2122, 2130, 3103, 5907, 5911, and 9102; Chapter 225 of the Laws of 1997, and Chapter 282 of the Laws of 1998.

Chapter 225 of the Laws of 1997 amended Insurance Law Sections 2117 and 2118 to provide that a licensed excess line broker may exercise binding authority and execute an authority to bind coverage on behalf of an insurer not licensed or authorized to do business in this State. The law required brokers to file binding agreements with the Excess Line Association of New York (“ELANY”).

This amendment to Insurance Regulation 41 clarified the information that must be included in a broker’s filing with ELANY, and required ELANY to file with the Superintendent monthly reports that contain information on excess line brokers’ binding authority agreements. The amendment also permitted the Superintendent to lower a syndicate’s trust account requirements, subject to certain factors.

Insurance Regulation 41 also was amended, effective June 2, 1999, to implement Chapter 498 of the Laws of 1996, which eliminated the requirement that both the excess line broker and the insured must complete an affidavit affirming that the broker had advised the insured that coverage had been placed with an unauthorized insurer. The amendment prescribed specific requirements concerning information that the broker must disclose to the insured prior to making a placement with an unauthorized insurer. It also adopted trust deposit requirements for alien insurers that were adopted by the National Association of Insurance Commissioners (“NAIC”) in 1998.

Regulation 41 again was amended, effective December 19, 2007, to change the amount of funds required to be held in trust by alien excess line insurers and associations of insurance underwriters (“associations”), and resolved the existing inequity in the trust fund obligations imposed upon alien excess line insurers, as compared to the obligations imposed upon associations. Specifically, the amount of funds to be held in trust by alien excess line insurers increased, and the amount of funds to be held in trust by associations decreased.

The Department adopted another amendment to Insurance Regulation 41 in 2011, effective May 4, 2011, which increased the minimum surplus to policyholders required to be maintained by new and current excess line insurers. The regulation also was amended, effective October 4, 2014, as discussed earlier.

- Addition of Part 220 (Insurance Regulation 160) (Holocaust Victims Insurance Claims and Reports) to Title 11 NYCRR, effective June 2, 1999.

Statutory Authority: Insurance Law Sections 201, 301, 2701(d), 2703(a)(2), 2710, and Article 27; and Chapter 259 of the Laws of 1998.

Insurance Regulation 160 implements the provisions of Chapter 259 of the Laws of 1998, which added a new Article 27 to the Insurance Law to provide a framework for the expeditious and equitable resolution of insurance claims by Holocaust victims as defined in Insurance Law section 2701(a).

- Amendment of Part 216 (Insurance Regulation 64) (Unfair Claims Settlement Practices and Claim Cost Control Measures) of Title 11 NYCRR, effective September 15, 1999.

Statutory Authority: Insurance Law Sections 201, 301, 2601, 3411, and 3412.

Chapter 360 of the Laws of 1997 amended Vehicle and Traffic Law Section 429 to require full disclosure of the applicable status of a motor vehicle to a potential purchaser of that vehicle – specifically, it must be disclosed when a vehicle being transferred is rebuilt salvage – and imposed a civil penalty on any person who knowingly and intentionally defrauded a purchaser by failing to make such disclosure. This amendment to Insurance Regulation 64 required that in certain instances, the insurer, when authorizing repair of a vehicle after a covered loss, must obtain the vehicle title from the owner and forward it to the Department of Motor Vehicles so that it may be branded as “rebuilt salvage” and then returned to the vehicle’s owner.

The Department is considering amending Insurance Regulation 64 to update Section 216.7 to clarify certain provisions in the regulation regarding motor vehicle physical damage claims.

- Amendment of Subpart 62-4 (Insurance Regulation 96) (Anti-Arson Application) of Title 11 NYCRR, effective September 15, 1999.

Statutory Authority: Insurance Law Sections 201, 301, and 3403.

Insurance Regulation 96 implemented a new two-tier anti-arson application that included questions to be answered by applicants for new or renewal policies or binders covering the perils of fire or explosion. Since the regulation was first adopted in 1981, other sections of law applicable to such coverage had been amended, and certain requirements in Insurance Regulation 96 became inconsistent with the related provisions. This amendment brought the regulation into conformity with other applicable statutes and regulations.

Insurance Regulation 96 was amended, effective September 27, 2000, to implement Chapter 456 of the Laws of 1999, which enacted a new subsection (h) to Insurance Law section 3403 that required the Superintendent to establish procedures by which an insurer may suspend or waive the requirement that the insurer use the anti-arson application upon renewal of policies, provided that the insurer can demonstrate that substantially equivalent information may be obtained through other means.

- Amendment to Part 52 (Insurance Regulation 62) (Medicare Supplement Insurance) of Title 11 NYCRR, effective December 8, 1999.

Statutory Authority: Insurance Law Sections 201, 301, 3201, 3216, 3217, 3218, 3221, 3231, 3232, 4235, 4237, and Article 43.

This amendment to Insurance Regulation 62 revises the minimum standards for the form, content, and sale of Medicare supplement insurance to conform with, inter alia, the enactment of the

Balanced Budget Act of 1997 (Public Law 105-33), which changed the federal minimum standards for Medicare supplement insurance.

The Department amended Insurance Regulation 62, effective March 21, 2001, to revise the minimum standards for the form, content, and sale of Medicare supplement insurance to conform with the enactment of the Balanced Budget Act of 1997, the Balanced Budget Refinement Act of 1999 (Public Law 106-170), and the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-113), which changed the federal minimum standards for Medicare supplement insurance.

Insurance Regulation 62 also was amended, effective June 19, 2002, to revise the minimum standards for the form, content, and sale of Medicare supplement insurance to conform with changes to the federal minimum standards for Medicare supplement insurance.

In 2010, Insurance Regulation 62 again was amended, effective May 5, 2010, to comply with federal requirements as prescribed in the revised NAIC Medicare Supplement Insurance Minimum Standards Model Act.

- Amendment of Part 52 (Insurance Regulation 62) (Minimum Standards for the Form, Content, and Sale of Health Insurance; Dental Care Exclusion) to Title 11 NYCRR, effective December 8, 1999.

Statutory Authority: Insurance Law Sections 201, 301, 3201, 3216, 3217, 3221, 4235, and 4237 and Article 43.

This amendment to Insurance Regulation 62 clarified that the dental exclusion permitted in health insurance policies did not extend to dental care or treatment necessary due to congenital disease or anomaly.

The Department is considering amending Insurance Regulation 62 to establish minimum standards for the form, content, and sale of policies and contracts of dental insurance.

PART 2. BANKING REGULATIONS

Notice is hereby given of the following rules relating to banking that the Department will review this year to determine whether they should be continued or modified. These rules were adopted in 2016, 2014, 2009, 2004, and 1999. These rules as published in the Register contain a regulatory flexibility analysis, a rural area flexibility analysis, and/or a job impact statement. If no such analysis was filed, a statement setting forth why one or all of those analyses was unnecessary was published in the Register. Public comment on the continuation or modification of the above rules is invited. Comments must be received within 60 days of the date of publication of this notice. Comments should be submitted to:

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The following rulemakings were adopted in 2016:

- New Part 421 (Financial Aid Award Information Sheet)
 - a. Description of rule: The rule pertains to the standard financial aid award letter required by Banking Law Section 9-w.
 - b. Legal basis for the rule: Banking Law Section 9-w.
 - c. Need for the rule: The rule is necessary to set forth the content and delivery requirements of the Financial Aid Award Information Sheet.
- New Part 422 (Inspecting, Securing and Maintaining Vacant and Abandoned Residential Real Property)
 - a. Description of rule: This rule establishes rules necessary to implement Real Property Actions and Proceedings Law Section 1308.

b. Legal basis for the rule: Real Property Actions and Proceedings Law Sections 1306, 1308, 1310.

c. Need for the rule: The rule is necessary to outline the informational and timing requirements for vacant and abandoned property reports required by Real Property Actions and Proceedings Law Section 1308.

- New Part 504 (Banking Division Transaction Monitoring and Filtering Program Requirements and Certifications)

a. Description of rule: The rule describes the transaction monitoring and filtering program requirements.

b. Legal basis for the rule: Banking Law Sections 37.3, 37.4, and 17; Financial Services Law Section 302.

c. Need for the rule: The rule is necessary to outline the Transaction monitoring and filtering program requirements.

The following rulemakings were adopted in 2014:

- Amendments to Part 420 (Mortgage Loan Originators; Licensing; Education Requirements)

a. Description of rule: The rule pertains to the licensing and education requirements for mortgage loan originators.

b. Legal basis for the rule: Banking Law Sections: 39, 44; Articles: 12-D and 12-E.

c. Need for the rule: This rule is necessary to implement the Superintendent's authority to license mortgage loan originators and sets forth the educational requirements to obtain a mortgage loan originator license.

The following rulemakings were adopted in 2009:

- Amendments to Part 38.1 of the General Regulations of the Banking Board (Definitions of Terms; Advertising; Application and Commitment Disclosures and Procedures; Improper Conduct under Article 12-D: Definitions)

a. Description of rule: The rule pertains to various mortgage loan requirements regarding advertising, application and commitment disclosures and procedures and improper conduct under Banking Law Article 12-D.

b. Legal basis for the rule: Banking Law Sections 6-1, 14, 590(3), 595-a.

c. Need for the rule: The rule is necessary to clarify and define certain mortgage loan terms.

- Amendments to Part 38.3 of the General Regulations of the Banking Board (Definitions of Terms; Advertising; Application and Commitment Disclosures and Procedures; Improper Conduct under Article 12-D: Applications Disclosures and Procedures)

a. Description of rule: The rule pertains to various mortgage loan requirements regarding application and commitment disclosures and procedures.

b. Legal basis for the rule: Banking Law Sections 6-1, 14, 590(3), 595-a.

c. Need for the rule: The rule is necessary to clarify and define the application disclosures and procedures with respect to mortgage loan applications.

- Amendments to Part 38.11 of the General Regulations of the Banking Board (now Superintendent) (Definitions of Terms; Advertising; Application and Commitment Disclosures and Procedures; Improper Conduct under Article 12-D: Requirements for Branches)

a. Description of rule: The rule pertains to the various requirements for the establishment and operation of branch offices by mortgage bankers or mortgage brokers.

b. Legal basis for the rule: Banking Law Sections 6-1, 14, 590(3), 595-a.

c. Need for the rule: The rule is necessary to describe and clarify the requirements of the establishment and operation of branch offices of mortgage bankers and mortgage brokers.

- Amendments to Part 410.5 of the Superintendent's Regulations (Mortgage Bankers: Licensing Requirements; Mortgage Brokers: Registration Requirements; Branch Applications: Notifications: Books and Records; Annual Reports: Surety Bonds; and Consultants of Licensed Mortgage Bankers and Registered Mortgage Brokers: Branch Application; investigation fees)

a. Description of rule: The rule outlines the specific branch application and investigation fees.

b. Legal basis for the rule: Banking Law Section 12.

c. Need for the rule: This rule is necessary because it clarifies where one may locate a mortgage banker or mortgage broker branch application and the fees for each application.

- Amendments to Part 413.3 of the Superintendent's Regulations (Procedures and Requirements for Mortgage Brokers to Act as FHA Mortgage Loan Correspondents: Minimum Standards required for Approval)

a. Description of rule: The rule outlines the minimum standards required to be approved to make FHA insured mortgage loans.

b. Legal basis for the rule: Banking Law Section 590.

c. Need for the rule: The rule is necessary because it explains how a mortgage broker may obtain the approval of the Superintendent to make FHA insured mortgage loans.

- Amendments to Supervisory Procedure MB 106 (Application to Act as an FHA Mortgage Loan Correspondent: Information and Documents required to be Submitted)

a. Description of rule: The rule pertains to the informational requirements for an application to act as an FHA Mortgage Loan Correspondent.

b. Legal basis for the rule: Banking Law Sections: 10, 37(3), 39, 44, 371, 646, 649.

c. Need for the rule: The rule is necessary because it outlines the informational requirements for an FHA Mortgage Loan Correspondent application.

- Amendments to Supervisory Policy G 8 (Registration of Domestic Representative Offices)

a. Description of rule: This rule pertains to the informational requirements for a banking institution seeking to establish or maintain a representative office in New York.

b. Legal basis for the rule: Banking Law Sections 39, 44.

c. Need for the rule: The rule is necessary because it outlines the informational requirements for an out-of-state banking institution seeking approval from the Department to establish or maintain a representative office in New York.

The following rulemakings were adopted in 2004:

- Amendments to Part 400.12 of the Superintendent's Regulations (Agents of Money Transmitters)

a. Description of rule: This rule pertains to the licensing and the conduct of agents of money transmitters.

b. Legal Basis for the rule: Banking Law Sections 12, 37(3), 367, 369, 371, 372.

c. Need for rule: This rule is necessary because it describes the application process to obtain approval to engage in money transmission activities as an agent of a licensed money transmitter and the rules of conduct thereof.

- Amendments to Part 402 of the Superintendent's Regulations (Budget Planners)

a. Description of rule: This rule implemented new statutory requirements relating to budget planners operating in New York.

b. Legal Basis for the rule: Banking Law Sections 12, 587.

c. Need for rule: This rule is necessary as it sets forth and clarifies the requirements for a budget planner to be licensed and operate in New York.

- Amendments to Part 410 of the Superintendent’s Regulations of the Banking Board (Mortgage Bankers: Licensing Requirements; Mortgage Brokers: Registration Requirements; Branch Applications: Notifications: Books and Records; Annual Reports; Surety Bonds; and Consultants of Licensed Mortgage Bankers and Registered Mortgage Brokers)

a. Description of rule: This rule outlines the various requirements proscribed for mortgage bankers and mortgage brokers in New York.

b. Legal Basis for the rule: Banking Law Section 12, Article 12-D.

c. Need for rule: The rule is necessary to implement legislation regarding surety bond requirements for mortgage bankers, mortgage brokers and consultants by establishing a schedule of bond amounts and imposes more stringent recordkeeping requirements on mortgage bankers.

- Amendments to Supervisory Policy G 8 (Registration of Domestic Representative Offices)

a. Description of rule: This rule describes the registration process for a banking institution to register a domestic representative office.

b. Legal Basis for the rule: Banking Law Sections 14(1), 132, 258.

c. Need for rule: The Department has adopted further amendments to this rule.

- Amendments to Supervisory Policy G 106 (Public Access to Banking Department Records)

a. Description of rule: This rule explains the Department’s Freedom of Information Law procedures.

b. Legal Basis for the rule: Banking Law Sections 1, 36.10; Public Officers Law Sections 87, 89.

c. Need for rule: This rule is necessary because it outlines the Department’s Freedom of Information Law procedures and clarifies the times and places when records are available, persons from

whom records are available, payment of fees, denial of access to records, right of appeal and confidential communications.

The following rulemakings were adopted in 1999:

- Amendments to Part 6.5 of the General Regulations of the Superintendent (Investments in Community Development Entities or Projects)

a. Description of rule: This rule pertains to equity investments made by banks or trust companies in community development entities or projects.

b. Legal Basis for the rule: Banking Law Sections 13.4, 14, 14-g, 14-h.

c. Need for rule: This rule is necessary because it provides New York state-chartered banks parity with national banks to self-certify equity investments that are designed primarily to promote the public welfare, including the welfare of low- and moderate- income areas or individuals.

- Amendments to Part 14.3 of the General Regulations of the Superintendent (Investment Procedures for Operating Subsidiaries and Edge Act Subsidiaries)

a. Description of rule: This rule pertains to the specific capital, examination rating, and supervisory characteristics of a bank or trust company in order for it to acquire, establish or invest in an operating subsidiary using after-the-fact notice.

b. Legal Basis for the rule: Banking Law Sections 14, 97(4-a).

c. Need for rule: This rule is necessary because it provides New York state-chartered bank parity with national banks in that it streamlines New York's application and review process with respect to investments in operating subsidiaries.

- Amendments to Part 14.4 of the General Regulations of the Superintendent (Investment Procedures for Other Stock Investments)

a. Description of rule: This rule pertains to additional investments by a bank or trust company in corporations where the initial investments were already approved by the Superintendent.

b. Legal Basis for the rule: Banking Law Sections 14, 97(4-a).

c. Need for rule: This rule is necessary because it permits a bank or trust company to make additional investments in a corporation for which it already has received Superintendent approval using the 30-day advance notice provisions of section 14.3(a).

- Amendments to Part 32.4 of the General Regulations of the Superintendent (Required Disclosures)

a. Description of rule: This rule pertains to the required disclosures for maximum charges for payments made against insufficient funds, uncollected balances and return items.

b. Legal Basis for the rule: Banking Law Sections 14.1, 108.8, 202, 235-c, 383.13.

c. Need for rule: This rule is necessary because it requires banks to disclose in writing to its depositors the order in which it pays items drawn against a depositor's account.

PART 3. FINANCIAL SERVICES REGULATIONS

Notice is hereby given of the following rules relating to financial services that the Department will review this year to determine whether they should be continued or modified. These rules as published in the Register contain a regulatory flexibility analysis, a rural area flexibility analysis, and/or a job impact statement. If no such analysis was filed, a statement setting forth why one or all of those analyses was unnecessary was published in the Register. Public comment on the continuation or modification of these rules is invited. Comments must be received within 60 days of the date of publication of this notice. Comments should be submitted as indicated in the summaries below.

No rulemakings were adopted in 2016.

The following rulemaking was adopted in 2014:

Adoption of new Part 1 (Debt Collection by Third-Party Debt Collectors and Debt Buyers) of Title 23, NYCRR, effective December 3, 2014.

Part 1 was adopted to establish the Department's oversight of debt collectors and sets basic rules for debt collection in New York, including disclosures that must be provided to consumers and information that must be provided when a debt is disputed. The statutory authority allows for regulation of debt collection, but provides little guidance for debt collectors. Part 1 clarifies for debt collectors and consumers what are required practices for debt collection in New York. Without these regulations, the statutory authority would have little impact on the marketplace and would not allow for sufficient oversight of debt collection practices in New York. This rule also is intended to provide a safe and sound financial market in New York, ensuring that debt collectors pursue the correct debtor for the correct debt and that consumers are aware of their rights when being solicited for payments.

Comments should be submitted to:

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