

S4599 BRESLIN Same as Uni. [A 6663](#) McDonald

ON FILE: 03/31/15 Insurance Law

TITLE....Authorizes the superintendent of financial services to suspend crediting of underwriting earnings for a fiscal year for the purposes of accumulating a subscriber's operating reserve

03/30/15 REFERRED TO INSURANCE

05/18/15 1ST REPORT CAL.686

05/19/15 2ND REPORT CAL.

05/20/15 ADVANCED TO THIRD READING

05/27/15 PASSED SENATE

05/27/15 DELIVERED TO ASSEMBLY

05/27/15 referred to insurance

06/16/15 substituted for a6663

06/16/15 ordered to third reading rules cal.368

06/16/15 passed assembly

06/16/15 returned to senate

11/10/15 DELIVERED TO GOVERNOR

11/20/15 VETOED MEMO.263

VETO MESSAGE - No. 263

TO THE SENATE:

I am returning herewith, without my approval, the following bill:

Senate Bill Number 4599, entitled:

"AN ACT to amend the insurance law, in relation to authorizing the superintendent of financial services to suspend crediting of underwriting earnings for a fiscal year for the purposes of accumulating a subscriber's operating reserve"

NOT APPROVED

This bill would authorize the Superintendent of the Department of Financial Services (DFS) to suspend continued funding of subscriber operating reserves of municipal reciprocal insurers in certain circumstances.

I support the underlying goal of providing a mechanism by which a subscriber may recoup excess operating reserves apart from simply leaving the reciprocal altogether. However, this bill poses significant policy issues. First, the bill makes reference to returning to subscribers the same amount of underwriting earnings that were suspended, but it is not clear how underwriting earnings may be "returned" when the subscribers never had such amounts to begin with. Second, it is unclear why suspending the accumulation of operating reserves would warrant the return of such reserves to subscribers. Third, the bill applies solely to municipal reciprocal insurers and therefore inequitably favors other types of reciprocal insurers. For these reasons, I am constrained to veto this bill.

The bill is disapproved.

(signed) ANDREW M. CUOMO
