

CLIENT UPDATE

REPORTING BY NEW YORK DOMESTIC INSURERS OF INVESTMENTS MADE IN DESIGNATED PERSONS ENGAGED IN ENERGY SECTOR INVESTMENTS IN IRAN

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Our Client Update dated November 19, 2013 reported on the enactment of new Section 1415 to the New York Insurance Law effective February 11, 2014 that treats as nonadmitted assets any investments made by domestic insurers in designated persons engaged in energy sector investment activities in Iran.

The New York Department of Financial Services has published the following guidance in its website relating to compliance with Section 1415 at: www.dfs.ny.gov/insurance/insurers/iran-invest.htm

- Although Section 1415 can be read as being applicable to both domestic and foreign licensed insurers, the Department guidance indicates that only domestic insurers need comply with the nonadmission and reporting requirements.
- Investments made by domestic insurers in designated persons engaged in energy sector investments in Iran are to be treated as nonadmitted assets. The guidance includes a copy of the September 12, 2013 List of Designated Persons published by the New York Office of General Services.
- Domestic insurers are required to identify and report to the Department any such investments they had in the previous calendar year, including any transfers or other transactions, by April 1, 2014 and annually thereafter by March 1.

- Only direct investments in the persons in the List of Designated Persons need be reported.
- Domestic insurers with no such investments need not provide a report.
- Domestic insurers are not required to nonadmit assets as of December 31, 2013. Rather, domestic insurers are required to nonadmit assets beginning with the March 31, 2014 quarterly statement.
- The report must be provided using the Excel template spreadsheet available at a link provided on the website guidance page and delivered by email to the Department at the email address provided on the website guidance.

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Please do not hesitate to contact us with any questions.

February 13, 2014