The Basics

• State government: why do we care??
  • Insurance is mostly regulated at the state level
  • Most business mandates, taxes, etc. are at the state level

• Methods of making policy
  • Legislation
  • Regulation
  • Case law
  • Executive Order
New York Government

- The three branches
  - Legislative
    - Senate
    - Assembly
  - Executive
    - Governor, LG
    - A.G
    - Agencies
  - Judicial
    - Supreme Court
    - Appellate Court
    - Court of Appeals
The Legislature

• Basics
  • Senate – 2 year terms, even years
    • 63 members
    • Leader: Andrea Stewart-Cousins (D) Yonkers
    • Current breakdown:
      • 40 Democrat
      • 23 Republican
  • Assembly
    • 150 members
    • Leader: Carl Heastie (D) Bronx
    • Current Breakdown:
      • 106 Democrat
      • 43 Republican
      • 1 Independent
Legislative Session

• Early January to early-mid June
• January – Governor’s State of the State
• January – April 1: State Budget
  • Executive Budget and amendments
  • One-house budgets
  • Negotiation and final adoption
• Late April – June: Policy
  • Focus on legislation
  • Most activity from late May to end of session – “silly season”
The Governor

• Current Governor – Andrew Cuomo (D)
• 4 year terms, next election 2022
• First elected in 2010
• Initially fiscally moderate, increasingly progressive
State Agencies - DFS

- Department of Financial Services
  - Linda Lacewell, Superintendent
    - Former counsel, chief of staff to Gov. Cuomo
    - Former federal prosecutor, ED NY
  - Responsibilities:
    - Oversight of insurance and banking
    - Producer licensing
    - Enforcement of banking/insurance regulations
Legislation – How a Bill Becomes Law

Idea and Drafting → Committee Action → Floor Vote → Passage in Other House → Executive Action → Chapter Amendments
Committee Action

• Key committees:
  • Insurance
  • Labor

• All bills must go through at least one committee
  • Multiple if many areas of law affected

• Committee Chairs – The Gatekeepers
  • Significant control over flow of legislation
  • Influence with committee members

• Hearings may be held
Floor Vote

• Floor calendar controlled by legislative leaders
• Bills must “age” 3 days
• Vote by full house
  • Members have opportunity to debate
  • Very rare for a bill to fail on a vote
• Bills transmitted to Governor
  • Timing varies – can be immediate or months
Executive Action

• Once bill is sent to governor’s desk, 10 days to take action
• May Sign, Veto, or take no action
  • No action = same as signed when legislature in session
  • No action = “pocket veto” when legislature out of session
  • Veto requires a message – explanation
• Bill takes effect per effective date
• “Chapter Amendments” – negotiated amendments to be made after bill is signed
Regulations

• Regulatory agencies can create regulations/rules with the force of law
• Must be consistent with the intent of the legislature or agency’s mission
• In practice, agencies have significant latitude in creating regulations
• Notice must be posted in State Register
• 45 day public comment period
• Hearings
• Modification/amendments based on comments
• Adoption
The Courts

• Laws and regulations may be challenged in court
  • Upheld or overturned, partially or fully
• Courts create case law through rulings
  • EX: Agent/Broker as “order taker”