The past few months have been marked with many tests for New Yorkers. The COVID-19 pandemic has challenged us to reassess how we work, connect with our families and navigate our communities.

We have learned to social distance, wear masks in public, and do our part to help flatten the curve of infection rates throughout the state and country.

As the pandemic gripped the state and nation, it was inspiring to see all of our member companies working within their communities to provide critical support through a variety of initiatives. In fact, we included many of these initiatives in a mailing to New York State legislative leaders and insurance committee members to convey our industry’s strong response to the pandemic.

Now, many companies prepare to reopen their doors with a new list of guidelines including recording temperatures, cleaning protocols, redesigning workspaces and contact tracing. We will continue to synthesize the new guidelines and mandates so you may be best prepared to bring back your employees safely and within full compliance.

We have also seen the need of New Yorkers and Americans to exercise their right to congregate and peacefully protest to fight against racial injustice in our country.

George Floyd’s death has made all of us take notice of the racial inequities in society and look at ways we can combat unconscious bias in the workplace.

The Legislature has already passed sweeping reforms that will bring needed transparency and accountability to our police departments.

Our member companies have committed to community action, meaningful dialogue and welcoming and inclusive work environments.

LICONY’s last in-person event was the industry’s first ever Diversity & Inclusion event in New York. Our organization strives to advance the needs of our member companies and to help attract minority candidates to the industry. We plan to do more to continue this important work.

Our next scheduled event is the DFS/LICONY Compliance Webinar scheduled for July 23rd. We will miss seeing all of our members in person as that is one of the highlights of this job. However you will still receive the access you have enjoyed in the past to the state’s dedicated regulators at the Department of Financial Services.

My best wishes to all of you for a safe and happy summer!
As the COVID-19 pandemic began, and the looming health care crisis came into focus, the Legislature and the Governor’s office began discussing ways to help individuals and workers impacted by the coming storm. The Governor’s office reached out to LICONY to inform them they were considering legislation that would expand employer paid sick leave, along with paid family leave and disability benefits, to employees impacted by the crisis.

At the time, the scope of the expansion and eligibility for the benefits were still under discussion. LICONY, on behalf of its members, sprang into action. We began a dialogue with the Governor’s office and implored them to engage the Department of Financial Services (“DFS”) for their actuarial expertise. After several face-to-face meetings with the Governor’s office, the Capitol was abruptly closed to visitors due to health concerns related to the COVID outbreak. Meetings by phone were the new normal, and LICONY proceeded to speak with the Governor’s office and the Legislature about the potentially devastating impacts that would result from expanding paid family leave and disability benefits beyond the eligibility and risks contemplated by the current rates. Those concerns were memorialized in a letter to the Governor and the legislative leaders on March 11, 2020.

Over the next week, LICONY continued to lobby aggressively. Not only was the fledgling paid family leave program itself in jeopardy, but several insurers could potentially face insolvency if the legislation under consideration was not narrowed in scope. After over a week of discussions, on March 18th, the Legislature passed S.8090 Ramos/ A.10152 Nolan, a Governor’s Program bill, which provides a combination of paid sick leave, paid family leave and short-term disability benefits to employees subject to an order of quarantine due to COVID-19, or to provide care for a minor child who is subject to such an order. The amount of paid sick leave the employee is entitled to, along with the amount of paid family leave and disability benefits, is determined by the numbers of employees an employer has.

The new law not only authorized employees to collect paid family leave and disability benefits at the same time, it also increases the weekly amount an individual can collect under disability from the existing $170.00 maximum to $2,043.92. The existing paid family leave benefit remains the same, at $840.70, for a total maximum weekly benefit of $2,884.62. This means that any eligible employee, making up to $150,000 annually, will be compensated in full during the course of a COVID-19 quarantine, if they are unable to work at home.

On the bright side, due to LICONY’s advocacy, eligibility for the new benefits has been dramatically reduced in scope. The bill first contemplated would have broadly applied to individuals impacted by the crisis, and the legislation enacted only applied to employees under an order of quarantine. The definition of “quarantine” was drafted narrowly, and significantly reduced the number of eligible claims.

The bill also provided that employees entitled to benefits under federal law would not be able to claim benefits under the new state law, to the extent there is overlap. This was also significant as Congress was in the midst of negotiating a relief package for impacted workers. Shortly after the passage of the state law, Congress

continued on page 5
This year, the honorable James L. Seward will vacate the New York State Senate seat he has held for nearly 35 years. Senator Seward graciously accepted a request for an interview by LICONY that was conducted over videoconference in late June.

First elected in 1986, Senator Seward has admirably represented his constituents in District 51, a sprawling area roughly the size of Connecticut, that encompasses all or part of nine counties in Central New York and west of the Hudson Valley.

During his career, Senator Seward became a trusted voice in the senate majority on many issues including energy, telecommunications, and insurance. In fact, his work with LICONY really began after he was appointed the chairmanship of the Senate Standing Committee on Insurance in 1999. Senate Majority Leader, Joe Bruno, called him directly and asked if he would be interested.

“I had not even served on the insurance committee at that time but believe me I accepted it in a New York minute because I was aware of the fact that the insurance industry in New York has a huge impact on our economy in many different ways and the life insurance industry is a major part of that. It was a learning curve and I had to meet with all the players and that of course included LICONY.”

Senator Seward sponsored or lent support to many pieces of legislation that affected insurance and he discussed a few issues that highlighted his time as chair.

“The main issue that stands out is Principle Based Reserving (PBR) which we finally got resolved in 2018 and it was also my last year as chair of the committee. I was pleased to get that done because it’s a classic example of companies in New York operating at a disadvantage and the passage of PBR helped bring the state closer to basic conformity with the rest of the country.

“Over the years, we also extended the time for retrieving lost policies from 30-45 days to 60 days and worked on improving electronic applications. The list goes on, but the thrust of our action was to help New York life insurance companies better help the New York consumer.”

Senator Seward understood the importance of a level playing field and got involved with national policy-making groups during his career. He even served as president of the National Council of Insurance Legislators (NCOIL) in 2009.

“I realized that it was important for New York to work with NCOIL and the NAIC because far too often New York is an outlier to widely adopted policy and regulation. This could hurt New York consumers by not having the availability of certain products. As one of my responsibilities as chair, I felt we needed to nurture, enhance and help companies thrive in New York, and uniformity and ease of doing business was one of my primary goals.”

What makes LICONY different?

Senator Seward worked with many lobbying groups continued on next page
and trades during his time in the Legislature. Although many groups have similar goals Senator Seward said a few things set LICONY apart.

“The thing that always impressed me about LICONY is that once the leadership was prepared to come in to talk to me about their issues they were speaking with one voice and there was a very concise list of legislative priorities – usually a long list – but always pointed out the 2-3 top priorities. The information is always well organized and uniform and that made it easier to get behind some of these proposals over the years. For the most part, I was able to get behind these issues. Not all insurance groups operated with the same level of focus.

“When I think about lobbying, I think a lot of that is educating and that’s particularly true of insurance issues. LICONY has been a great help in reaching out to other committee members and other key legislators to do some educating on the important issues. A number of the members would defer to the chair of the committee as one who had the opportunity and responsibility in developing committee agendas and floor action and I could confidently endorse many LICONY initiatives as good for constituents and business.”

**Annual Meeting & Planning Conference**

For years, LICONY would host its Annual Meeting & Planning Conference at the beautiful Otesaga Hotel and Resort. Senator Seward would attend the legislative panels each year and offer his time to the life insurance community. The Senator looks back fondly at those events held in his district.

“Zoom meetings will never be the veranda of the Otesaga. I remember a time when Pete Grannis was chair of the insurance committee in the Assembly and he was big on community reinvestment which the life insurance industry of course is already committed to. At one of the fall conferences, I looked over all of the insurance members at the Otesaga for a 3-day conference and I said ‘Pete this is my idea of reinvestment in my community.’”

**Weighing Retirement**

Senator Seward loves his work and his community. It was a hard decision to contemplate retirement after such a successful career. There were several elements that weighed on his decision including his battle with cancer, first diagnosed in 2016, which had returned in November of 2019.

“My plan was to run for one more term and it’s no secret I’ve had some cancer related issues and it popped up again last fall. My treatments are going very well, and my doctor said they will continue for much of the year. I decided I was not up to going through another campaign season. Of course, as it turns out there are no events going on! But normally we have a lot of events in my sprawling district and I decided to focus on my health while going though cancer treatments. So, after 34 years I felt the time was right to move forward in another way. I’m comfortable with my decision although it was two years earlier than my original plan.”

While receiving scheduled chemotherapy treatment at Albany Medical Center, Senator Seward would learn that he had contracted COVID-19 and would face an intense road to recovery.

“Back in late March while doing treatments at Albany Medical Center I hadn’t felt right for a couple days. I went in for a treatment on March 26 and they took my temperature and I had I high fever and I did not realize it. I had no shortness of breath or other symptoms. They immediately sent me to the emergency room and that is where I was tested. Soon after they admitted me, and over the next couple of days, they had a difficult time controlling the fever. I was moved to the ICU and placed on a ventilator. They had my family prepared for the worst as things weren’t going well. But then I rallied, and the rest is history, in total I spent 18 days at Albany Medical Center. By the time I was able to go home I had no

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passed H.R. 6201, the Families First Coronavirus Response Act, which requires employers of 500 or less, to provide two-weeks of paid leave to the same individuals covered by the state law. The federal law would not become effective until April 2nd, but once it did, it would also significantly reduce the number of eligible claims.

While the legislation was lauded publicly for providing benefits to impact workers, it also contained a provision that created a “risk adjustment pool” for insurance carriers that provide paid family leave and disability benefits. The inclusion of this provision was the beginning of a major advocacy success for LICONY, and its members. The risk adjustment regulation would provide emergency funding to insurance carriers who faced financial jeopardy due to the increased number of paid family leave and disability claims. According to the new law, the regulation would be developed by DFS, in consultation with the Workers Compensation Board and the State Insurance Fund, and promulgated by June 1st.

Once the law passed, and became effective, the real work started. Weekly calls of LICONY’s Paid Family Leave Working Group and Disability Subcommittee began. There were lengthy discussions about implementation of the new program and the finer points of eligibility, along with numerous emails and calls with the Workers Compensation Board. On a parallel track, there were weekly calls with DFS as they began to draft the risk adjustment regulation.

Since mid-March, the Workers Compensation Board has provided guidance to LICONY’s members on numerous subjects related to the new law. The Board has updated its website several times and answered many questions.

LICONY worked closely with DFS, along with its state partners, to develop a regulation that would provide relief to insurers who have been required to pay out claims never contem-

Quarantine Paid Family Leave story continued...

symptoms and regained most of my strength and I’m thankful for the care I received and the support of my family and colleagues. So my family won’t be collecting on my life insurance policy just yet!"

Since his recovery from the coronavirus, Senator Seward has urged people to continue to follow recommended health and safety guidelines and avoid relaxing standards to prevent the spread of coronavirus, even as New York reaches different phases of reopening. The Senator believes essential businesses including insurance will be a major part of the recovery.

“COVID-19 has had a very detrimental impact on our economy and we’re going to have to rebuild. I think it’s always important for LICONY to stress the importance of the life insurance industry in terms of jobs, financial security for families and businesses, and the investments that LICONY companies make in our state. It’s always important, particularly at this time when the economy is lagging, that LICONY re-

“I remember LICONY members stepped up to the plate during 9/11 and were very helpful. That was a classic example of demonstrating what life insurance means to families. That was another down time for our economy and LICONY companies were very much part of the recovery.”

As the clock winds down on Senator Seward’s time in office he is ready for the change. He does not know exactly what will come next but he knows it will involve the community that he loves.

“I have no specific plans but it’s going to be nice to not have such a busy schedule. It will give me an opportunity to smell the roses and spend more time with my family. Also, I’m deeply committed to my region of the state. I would like to continue in some capacity to serve my region particularly in the area of economic development.”
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We are pleased to present LICONY’s 2020 Legal and Compliance Webinar with the NYS Department of Financial Services. Given the current circumstances and social distancing guidelines, this event will be presented this year via webinar. Registration is available on our website.

Webinar Details
Thursday, July 23, 2020
12:00 p.m. - 4:00 p.m. EST
Cost: $100 or $150 for CLE credit

The webinar will begin with a panel on supplemental health insurance issues, including Paid Family Leave and vision & dental, followed by the life insurance policy form filing, legal and actuarial panel and finishing up with a panel on life insurance examinations/investigations and NAIC issues. (LICONY is seeking accreditation to offer CLE credit hours for each of the panels).

Invited panelists from the DFS include: from the Life Bureau – Executive Deputy Superintendent Matthew Homer, Deputy Superintendent Mona Bhalla, Assistant Deputy Superintendent & Bureau Chief Lisa Fernéz, Deputy Chief Mark McLeod, Supervising Insurance Examiner Sharon Ma, Chief Insurance Attorney Peter Dumar, Supervising Attorneys Todd Cafarelli and Kathy Ryan, Chief Life Actuary Bill Carmello and Supervising Actuary Michael Mazzie and, from the Health Bureau, Bureau Chief Lisette Johnson, Assistant Chief Tobias Len and Supervising Insurance Attorneys Sarah Allen and Colleen Rumsey.