AN ACT to amend the banking law, in relation to
limit of Savings Bank Life Insurance

The People of the State of New York, represented in Senate and Assembly,
do enact as follows:

Section 1. Section two hundred sixty-six of chapter three hundred sixty-nine of the laws of nineteen hundred fourteen, entitled "An act in relation to banking corporations, and individuals, partnerships, unincorporated associations and corporations under the supervision of the banking department, constituting chapter two of the consolidated laws," as added by chapter four hundred forty-nine of the laws of nineteen hundred forty and last amended by chapter four hundred thirty-four of the laws of nineteen hundred forty-two, is hereby amended to read as follows:

§ 266. Limit of insurance. 1. No savings and insurance bank shall obligate itself to pay [more than one thousand dollars in the event of the death of one person except as follows:

1. A savings and insurance bank may obligate itself to pay not more than three thousand dollars in the event of the death of one person provided the amount in excess of one thousand dollars is reinsured in one or more savings and insurance banks.

The limitations of one thousand or three thousand dollars, as the case may be, shall be exclusive of:

(A) Dividends, profits or paid-up insurance purchased with such dividends or profits; and

(B) Such amounts as may be payable under (a) an employee's group policy, (b) a policy issued pursuant to conversion privileges of such a group policy, (c) an annuity contract embodying an agreement to refund, upon the death of the holder, to his estate or to a specified payee, a sum not exceeding the premium paid thereon with compound interest, (d) an agreement to pay benefits of not more than twice the face amount of the policy in the event of death by accident or accidental means or (e) such agreement as it may make to pay an amount equal to a cash surrender value in excess of the face amount of the policy.

Except as provided in subdivision (A) and (B) of this section no savings and insurance bank shall issue any policy or policies of life insurance to any applicant, if the insurance so issued together with other savings bank life insurance policies in force on the life of such applicant would exceed the maximum amount that is permitted by this section to be issued by one savings and insurance bank, in the event of the death of one person, an amount which, together with other insurance issued by savings and insurance banks in force on the same life, would exceed seven thousand five hundred dollars, nor shall any savings and insurance bank obligate itself to pay more than three thousand dollars, in the event of the death of one person, unless the amount in excess of three thousand dollars is reinsured in one or more other savings and insurance banks.

2. The foregoing limitations and reinsurance provision shall not apply to and shall be exclusive of (a) dividends and profits or paid-up insurance purchased with such dividends or profits; (b) any amount payable under an employees' group policy or a policy issued pursuant to conversion privileges of such a group policy; (c) a refund payable at death under an annuity contract; (d) any additional benefit, not in excess of the face amount of a policy, payable in the event of death by accident or accidental means; (e) reserves payable at death in excess of the face amount of a policy.

2. No savings and insurance bank shall write any annuity contract otherwise binding it to pay in any one year more than two hundred dollars exclusive of dividends or profits.

§ 2. This act shall take effect immediately.

Note: Old matter in brackets —— now matter underlined.