

6014--A

2009-2010 Regular Sessions

I N S E N A T E

June 19, 2009

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to group life and group accident and health insurance policies

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraph 1 of subsection (b) of section 4216 of the insur-
2 ance law, as amended by chapter 369 of the laws of 1985, is amended to
3 read as follows:
4 (1) A policy issued to an employer or to a trustee or trustees of a
5 fund established by an employer, which employer or trustees shall be
6 deemed the policyholder, insuring with or without evidence of individual
7 insurability satisfactory to the insurer, employees of such employer,
8 and insuring, except as hereinafter provided, all of such employees or
9 all of any class or classes thereof determined by conditions pertaining
10 to the employment, or by a combination of such conditions and conditions
11 pertaining to the family status of the employee, for amounts of insur-
12 ance on each person insured based upon some plan which will preclude
13 individual selection. However, such a plan may permit a limited number
14 of selections by employees if the selections offered utilize a consist-
15 ent pattern of grading the amounts of insurance for individual group
16 members so that the resulting pattern of coverage is reasonable. The
17 premium for the policy shall be paid by the policyholder, either wholly
18 from the employer's funds [or funds contributed by him] or from funds
19 contributed by the insured employees, or from funds contributed jointly
20 by the employer and employees. If all or part of the premium is to be
21 derived from funds contributed by the insured employees, such policy
22 must insure not less than fifty percent of such eligible employees or,
23 if less, fifty or more of such employees; PROVIDED THAT FOR EMPLOYERS

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 WITH TWENTY-FIVE OR FEWER EMPLOYEES AT ISSUE, SUCH POLICY MUST INSURE
2 NOT LESS THAN FIFTY PERCENT OF SUCH ELIGIBLE EMPLOYEES OR, IF LESS, FIVE
3 OR MORE OF SUCH EMPLOYEES. Except as provided in subsection (b) of
4 section four thousand two hundred thirty-one of this article and in
5 paragraph five of subsection (a) of section three thousand two hundred
6 twenty of this chapter, such policy shall provide for payment of all
7 benefits thereunder, to the person insured or to some beneficiary or
8 beneficiaries other than the employer, and shall provide for the issu-
9 ance of a certificate to the policyholder for delivery to the person
10 insured or to such beneficiary, as evidence of such insurance.

11 S 2. Subparagraph (A) of paragraph 1 of subsection (c) of section 4235
12 of the insurance law, as separately amended by chapters 369 and 846 of
13 the laws of 1985, is amended to read as follows:

14 (A) A policy issued to an employer or to a trustee or trustees of a
15 fund established by an employer, which employer or trustee or trustees
16 shall be deemed the policyholder, insuring with or without evidence of
17 insurability satisfactory to the insurer, employees of such employer,
18 and insuring, except as hereinafter provided, all of such employees or
19 all of any class or classes thereof determined by conditions pertaining
20 to the employment or a combination of such conditions and conditions
21 pertaining to the family status of the employee, for insurance coverage
22 on each person insured based upon some plan which will preclude individ-
23 ual selection. However, such a plan may permit a limited number of
24 selections by employees if the selections offered utilize consistent
25 plans of coverage for individual group members so that the resulting
26 plans of coverage are reasonable. The premium for the policy shall be
27 paid by the policyholder, either from the employer's funds, or from
28 funds contributed by the insured employees, or from funds contributed
29 jointly by the employer and employees. If all or part of the premium is
30 to be derived from funds contributed by the insured employees, then such
31 policy must insure not less than fifty percent of such eligible employ-
32 ees or, if less, fifty or more of such employees; PROVIDED THAT FOR
33 EMPLOYERS WITH TWENTY-FIVE OR FEWER EMPLOYEES, A POLICY PROVIDING COVER-
34 AGE FOR OTHER THAN HOSPITAL, MEDICAL, MAJOR MEDICAL OR SIMILAR COMPRE-
35 HENSIVE TYPES OF EXPENSE REIMBURSED COVERAGE MUST INSURE NOT LESS THAN
36 FIFTY PERCENT OF SUCH ELIGIBLE EMPLOYEES OR, IF LESS, FIVE OR MORE OF
37 SUCH EMPLOYEES.

38 S 3. This act shall take effect immediately.