

4712--A

2011-2012 Regular Sessions

I N S E N A T E

April 15, 2011

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

AN ACT to amend the insurance law, in relation to private air ambulance service

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

1 Section 1. Legislative intent. The legislature hereby finds the insurance law inadequate in its current form as section 1108 of such law
2 provides no exemptions for air ambulance companies wishing to subscribe
3 memberships. Some areas of the state are severely lacking in air transport and rescue services. By creating a new subsection in section 1108
4 of the insurance law, we create an environment conducive to air ambulance companies while creating protections for their membership and the
5 people within their catchment area.
6 S 2. Section 1108 of the insurance law is amended by adding a new
7 subsection (k) to read as follows:
8 (K) (1) FOR PURPOSES OF THIS SUBSECTION:
9 (I) "AIR AMBULANCE SERVICE" SHALL MEAN AN AMBULANCE SERVICE THAT USES
10 AIRCRAFT TO TRANSPORT PERSONS IN NEED OF MEDICAL CARE IN ACCORDANCE WITH
11 SUBDIVISION TWO OF SECTION THREE THOUSAND ONE OF THE PUBLIC HEALTH LAW.
12 (II) "SUBSCRIPTION SERVICE" SHALL MEAN ACCEPTING LUMP SUM OR PERIODIC
13 PAYMENTS IN ADVANCE TO COVER ALL OR SOME PART OF THE COST OF AIR AMBULANCE SERVICES PROVIDED TO A MEMBER SUBSCRIBER;
14 (2) A PRIVATE AIR AMBULANCE SERVICE AS DEFINED IN PARAGRAPH ONE OF
15 THIS SUBSECTION THAT SOLICITS MEMBERSHIP SUBSCRIPTIONS, ACCEPTS MEMBERSHIP APPLICATIONS, CHARGES MEMBERSHIP FEES, AND PROVIDES AIR AMBULANCE
16 SERVICES TO SUBSCRIPTION MEMBERS AND DESIGNATED MEMBERS OF THEIR HOUSEHOLD IS NOT AN INSURER, IS NOT IN THE BUSINESS OF INSURANCE, AND IS NOT
17 SELLING INSURANCE, IF THE PRIVATE AIR AMBULANCE SERVICE:

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

LBD10652-08-1

1 (I) POSTS A SURETY BOND IN AN AMOUNT OF FIVE THOUSAND DOLLARS FOR
2 EVERY ONE THOUSAND SUBSCRIBERS OR A PORTION THEREOF, EXECUTED BY A SURE-
3 TY COMPANY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE BY THE DEPART-
4 MENT, TO ENSURE THAT THE STATE OF NEW YORK SHALL HAVE ADEQUATE FUNDS TO
5 COMPENSATE MEMBERS IN THE INSTANCE THAT THE AIR AMBULANCE SERVICE SHALL
6 NO LONGER HAVE A VALID OPERATING CERTIFICATE TO PROVIDE SUCH SERVICE;

7 (II) PROVIDES IN THE MEMBERSHIP MATERIALS A DESCRIPTION OF THE TERMS
8 UNDER WHICH THE MEMBER IS PROVIDED AIR AMBULANCE SERVICE INCLUDING,
9 LENGTH OF TIME THE MEMBERSHIP COVERS, AIR AMBULANCE SERVICE COSTS THAT
10 ARE COVERED BY MEMBERSHIP FEES, EXCLUSIONS FROM PROVISION OF SERVICE,
11 DISCOUNT AMOUNTS AND A STATEMENT PROVIDING CLEAR DISCLOSURE TO APPLI-
12 CANTS AND MEMBERS THAT THIS IS NOT INSURANCE AND MEMBERSHIP CANNOT BE
13 CONSIDERED SECONDARY INSURANCE COVERAGE OR A SUPPLEMENT TO ANY INSURANCE
14 COVERAGE;

15 (III) OFFERS SUBSCRIPTION MEMBERSHIPS SOLELY BY THE AIR AMBULANCE
16 PROVIDER HOLDING A VALID OPERATING CERTIFICATE ISSUED BY THE DEPARTMENT
17 OF HEALTH; AND

18 (IV) HAS SUBMITTED EVIDENCE OF ITS COMPLIANCE WITH THIS SECTION TO THE
19 SUPERINTENDENT.

20 S 3. This act shall take effect on the one hundred twentieth day after
21 it shall have become a law. Effective immediately, the addition, amend-
22 ment and/or repeal of any rule or regulation necessary for the implemen-
23 tation of this act on its effective date is authorized to be made on or
24 before such effective date.