

4712--B

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 -- recommitted to the Committee on Insurance in accordance with Senate Rule 6, sec. 8 -- 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 1101 of such law provides no exemptions for air ambulance companies wishing to subscribe memberships. Some areas of the state are severely lacking in air transport and rescue services. By creating a new paragraph in subsection (b) of section 1101 of the insurance law, we intend to exclude these companies as insurance and create an environment conducive to air ambulance companies while creating protections for their membership and the people within their catchment area.
- 10 S 2. Subsection (b) of section 1101 of the insurance law is amended by adding a new paragraph 8 to read as follows:
- 12 (8) (A) FOR PURPOSES OF THIS PARAGRAPH:
- 13 (I) "AIR AMBULANCE SERVICE" SHALL MEAN AN AMBULANCE SERVICE THAT USES AIRCRAFT TO TRANSPORT PERSONS IN NEED OF MEDICAL CARE IN ACCORDANCE WITH SUBDIVISION TWO OF SECTION THREE THOUSAND ONE OF THE PUBLIC HEALTH LAW.
- 16 (II) "SUBSCRIPTION SERVICE" SHALL MEAN ACCEPTING LUMP SUM OR PERIODIC PAYMENTS IN ADVANCE TO COVER ALL OR SOME PART OF THE COST OF AIR AMBULANCE SERVICES PROVIDED TO A MEMBER SUBSCRIBER;
- 19 (B) A PRIVATE AIR AMBULANCE SERVICE AS DEFINED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH THAT SOLICITS MEMBERSHIP SUBSCRIPTIONS, ACCEPTS MEMBER-

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

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SHIP APPLICATIONS, CHARGES MEMBERSHIP FEES, AND PROVIDES AIR AMBULANCE SERVICES TO SUBSCRIPTION MEMBERS AND DESIGNATED MEMBERS OF THEIR HOUSEHOLD IS NOT AN INSURER, IS NOT IN THE BUSINESS OF INSURANCE, AND IS NOT SELLING INSURANCE, IF THE PRIVATE AIR AMBULANCE SERVICE:

(I) FURNISHES A BOND, WITH SUFFICIENT SURETIES, IN AN AMOUNT OF FIVE THOUSAND DOLLARS FOR EVERY ONE THOUSAND SUBSCRIBERS OR A PORTION THEREOF, EXECUTED BY A SURETY COMPANY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE BY THE DEPARTMENT OF STATE, TO ENSURE THAT THE STATE OF NEW YORK SHALL HAVE ADEQUATE FUNDS TO COMPENSATE MEMBERS IN THE INSTANCE THAT THE AIR AMBULANCE SERVICE SHALL NO LONGER HAVE A VALID OPERATING CERTIFICATE TO PROVIDE SUCH SERVICE; SUCH BOND SHALL BE IN FAVOR OF THE PEOPLE OF THE STATE OF NEW YORK. A COPY OF THE SURETY BOND SHALL BE FILED WITH THE OFFICE OF THE SECRETARY OF STATE SIMULTANEOUSLY WITH THE FILING OF THE STATEMENT REQUIRED BY CLAUSE (IV) OF THIS SUBPARAGRAPH. THE MONIES SO HELD IN SAID SURETY BOND SHALL AT ALL TIMES EQUAL AN AMOUNT OF FIVE THOUSAND DOLLARS FOR EVERY ONE THOUSAND SUBSCRIBERS OR A PORTION THEREOF, EXECUTED BY A SURETY COMPANY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE BY THE DEPARTMENT OF STATE, TO ENSURE THAT THE STATE OF NEW YORK SHALL HAVE ADEQUATE FUNDS TO COMPENSATE MEMBERS IN THE INSTANCE THAT THE AIR AMBULANCE SERVICE SHALL NO LONGER HAVE A VALID OPERATING CERTIFICATE TO PROVIDE SUCH SERVICE. THE MONIES MAY BE WITHDRAWN, FROM TIME TO TIME, IN ORDER TO COMPENSATE MEMBERS IN THE INSTANCE THAT THE AIR AMBULANCE SERVICE SHALL NO LONGER HAVE A VALID OPERATING CERTIFICATE TO PROVIDE SUCH SERVICE;

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

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

(IV) HAS SUBMITTED EVIDENCE OF ITS COMPLIANCE WITH THIS PARAGRAPH TO THE SUPERINTENDENT.

S 3. This act shall take effect on the one hundred twentieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date is authorized to be made on or before such effective date.