

9140

I N A S S E M B L Y

January 29, 2016

Introduced by M. of A. SIMANOWITZ -- read once and referred to the
Committee on Insurance

AN ACT to amend the insurance law, in relation to providing for benefit
reduction plans

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

1 Section 1. Section 1117 of the insurance law is amended by adding a
2 new subsection (c-1) to read as follows:
3 (C-1) THE PREMIUM RATES FOR SUCH CONTRACTS SHALL BE LEVEL FOR THE
4 DURATION OF THE POLICY OR CERTIFICATE EXCEPT WHERE A RATE INCREASE IS
5 GRANTED BY THE SUPERINTENDENT. IF A RATE INCREASE WOULD RESULT IN A
6 TWENTY PERCENT OR MORE AGGREGATE INCREASE OVER THE ORIGINAL PREMIUM
7 RATE, AN INSURER SHALL, AT THE SAME TIME, OFFER AN INSURED THE OPTION OF
8 REDUCING BENEFITS FOR THE RATE OF THE LATEST PREMIUM PAID BY THE INSURED
9 FOR THE DURATION OF THE LIFE OF THE POLICY OR CERTIFICATE. AN INSURED
10 SHALL AT SUCH TIME BE NOTIFIED OF THE SPECIFIC REDUCTIONS IN COVERAGE
11 THAT WOULD ENSUE UPON SELECTING A REDUCED BENEFIT PLAN. AN INSURED SHALL
12 BE NOTIFIED OF THE OPTION TO SELECT A REDUCED BENEFIT PLAN, UNDER THE
13 CONDITIONS PROVIDED FOR BY THIS SUBSECTION, PRIOR TO THE EXECUTION OF A
14 POLICY OR CERTIFICATE.
15 S 2. This act shall take effect immediately.

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

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