

STATE OF NEW YORK

9361

IN SENATE

May 20, 2022

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to deductibles offered by group self-insurers

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

1 Section 1. The opening paragraph of section 3443 of the insurance law,
2 as added by chapter 924 of the laws of 1990, is amended to read as
3 follows:

4 (1) An insurer issuing a workers' compensation and employers' liability
5 insurance policy, and a group self-insurer for municipal corpo-
6 rations [as defined in] established pursuant to subdivision three-a of
7 section fifty of the workers' compensation law, may offer, as part of
8 the policy or by endorsement, deductibles optional to the policyholder
9 for benefits payable under the policy, subject to approval by the super-
10 intendent and subject to underwriting by the insurer, consistent with
11 the following standards or factors:

12 § 2. Subsections (a) through (g) of section 3443 of the insurance law
13 are redesignated paragraphs (a) through (g) of subsection 1 of such
14 section and a new subsection 2 is added to read as follows:

15 (2) A policy issued by a group self-insurer for municipal corporations
16 under this section may be offered to municipal corporations as defined
17 in subdivision three-a of section fifty of the workers' compensation
18 law, public corporations as defined in subdivision one of section
19 sixty-six of the general construction law, county self-insurance plans
20 established under article five of the workers' compensation law, boards
21 of cooperative educational services and consortia established by boards
22 of cooperative educational services, consistent with the following:

23 (a) the policy must be consistent with the standards and factors set
24 forth in subsection one of this section;

25 (b) the group self-insurer must be "fully funded", as defined in
26 subparagraph (b) of paragraph two of subdivision three-a of section
27 fifty of the workers' compensation law;

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

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1 (c) no proof of financial ability or deposit of securities or cash
2 need be made by the group self-insurer or the covered entity;

3 (d) the maximum new contribution allowed for a deductible program
4 offered by the group self-insurer may not exceed ten percent of the
5 group self-insurer's total contributions for the prior year;

6 (e) no more than ten new deductible members may be added in any one
7 contribution year; and

8 (f) if the group self-insurer ceases to be fully funded, the group
9 self-insurer may not permit any new member to elect the deductible
10 option until the group self-insurer becomes fully funded.

11 § 3. This act shall take effect immediately.