

# STATE OF NEW YORK

1766--A

2025-2026 Regular Sessions

## IN ASSEMBLY

January 14, 2025

Introduced by M. of A. STECK, BARRETT, BLANKENBUSH, COOK, DeSTEFANO, FRIEND, HAWLEY, HEVESI, LUPARDO, McMAHON, PALMESANO, PEOPLES-STOKES, REYES, STIRPE, WOERNER, BENDETT, MANKTELOW, TAGUE, BRABENEC, SAYEGH, O'PHARROW, ANGELINO, GALLAHAN, LUNSFORD, K. BROWN, SEMPOLINSKI -- read once and referred to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT authorizing municipalities to join a county self-funded or self-insured health plan

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

1 Section 1. A municipality is permitted, with the consent of the county  
2 and the governing body of such municipality, to join a county self-fund-  
3 ed or self-insured health plan in any county in which such municipality  
4 is located in whole or in part. Municipality is defined as any city,  
5 town, village or any other municipal corporation, that is not a part of,  
6 nor a department of, nor an agency of the state. In order for a munici-  
7 pality or municipalities to join the county self-funded or self-insured  
8 health plan, the county shall file with the superintendent of financial  
9 services certification that, with inclusion of the lives to be covered  
10 in the plan, prior to the admission of the municipality or munici-  
11 palities, that the county self-funded or self-insured health plan meets  
12 the following six requirements:

13 (a) That the county and any municipality or municipalities joining  
14 such plan have mutually consented to join such plan.

15 (b) That it maintain a reserve fund, calculated as a percentage of  
16 total annual incurred claims, of a minimum of 12% of claims.

17 (c) That it has a surplus account, established and maintained for the  
18 sole purpose of satisfying unexpected obligations of the benefit plan in  
19 the event of termination or abandonment of the plan, which shall not be

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

LBD04716-02-5

1 less than 5% of the annualized earned premium equivalents during the  
2 current fiscal year of the plan.

3 (d) That it has in effect a specific stop loss per individual claim  
4 only, no aggregate, and with a minimum deductible of \$200,000 to  
5 \$250,000.

6 (e) That it has a minimum of 1,000 covered lives including retirees,  
7 but not including dependents.

8 (f) That joint and several liability of participating municipalities  
9 for the obligations of the plan is hereby abolished, and such liability  
10 shall be governed as follows:

11 1. If the plan does not have admitted assets, as defined in section  
12 107 of the insurance law, at least equal to the aggregate of its liabil-  
13 ities and reserves and minimum surplus as provided in subdivision (b) of  
14 this section, the governing board of such plan shall, within 30 days  
15 thereafter, order an assessment for the amount that will provide suffi-  
16 cient funds to remove such impairment and collect from each municipal  
17 corporation a pro rata share of such assessed amount.

18 2. Every municipal corporation that participated in the plan at any  
19 time during the two-year period prior to the issuing of an assessment  
20 order by the plan's governing board shall, if notified of such assess-  
21 ment, pay its pro rata share of such assessment within 90 days after the  
22 issuance of that assessment order.

23 3. A municipal corporation's pro rata share of any assessment shall be  
24 determined by applying the ratio of (i) the total assessment to the  
25 total contributions or premium equivalents earned during the period  
26 covered by the assessment on all municipal corporations subject to  
27 assessment to (ii) the contribution or premium equivalent earned during  
28 such period attributable to such municipal corporation.

29 4. The contingent liability of municipal corporations for additional  
30 premium equivalents or assessments shall not be included as an asset in  
31 the financial statements of the self-funded or self-insured health plan.

32 § 2. Any county that seeks to admit a municipality or municipalities  
33 to its self-insured or self-funded health plan shall utilize the  
34 services of an actuary approved by the superintendent of financial  
35 services who shall certify that the criteria set forth above have been  
36 complied with. Certification by an actuary approved by the superinten-  
37 dent of financial services shall establish a presumption that the muni-  
38 cipality or municipalities shall be admitted to the county self-insured  
39 or self-funded health plan. Provided, however, that the superintendent  
40 of financial services may, before the passage of one year from the date  
41 of certification, may reject such certification stating the grounds  
42 therefor and any requirements to assure that must be met to assure that  
43 the proposal is approved.

44 § 3. This act shall take effect immediately.