

# STATE OF NEW YORK

7553

2025-2026 Regular Sessions

## IN ASSEMBLY

April 1, 2025

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

AN ACT to amend the insurance law, in relation to requiring health insurance contracts provide coverage to developmentally disabled persons beyond twenty-six years of age

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

1 Section 1. Subparagraph (C) of paragraph 4 of subsection (a) of  
2 section 3216 of the insurance law, as amended by chapter 219 of the laws  
3 of 2011, is amended to read as follows:

4 (C) In addition to the requirements of subparagraphs (A) and (B) of  
5 this paragraph, every insurer issuing a policy of hospital, medical, or  
6 surgical expense insurance pursuant to this section that provides cover-  
7 age for dependent children must make available and, if requested by the  
8 policyholder, extend coverage under the policy to an unmarried child  
9 through age twenty-nine, without regard to financial dependence who is  
10 not insured by or eligible for coverage under an employer health benefit  
11 plan as an employee or member, whether insured or self-insured, and who  
12 lives, works or resides in New York state or the service area of the  
13 insurer. Such coverage shall be made available at the inception of all  
14 new policies. Written notice of the availability of such coverage shall  
15 be delivered to the policyholder [~~thirty days~~ six months prior to the  
16 inception of such policy. Where an unmarried dependent child is incapa-  
17 ble of self-sustaining employment by reason of mental illness, or devel-  
18 opmental disability as defined in the mental hygiene law, or physical  
19 handicap and who became so incapable prior to the age at which dependent  
20 coverage would otherwise terminate such coverage shall be extended  
21 indefinitely past age twenty-six.

22 § 2. Subparagraph (B) of paragraph 5 of subsection (c) of section 3216  
23 of the insurance law, as amended by chapter 479 of the laws of 2022, is  
24 amended to read as follows:

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

LBD10447-01-5

1 (B) Written notice of entitlement to a conversion policy shall be  
2 given by the insurer to the policyholder at least [~~fifteen and not more~~  
3 ~~than sixty days~~] six months prior to the termination of coverage due to  
4 the initial limiting age of the covered dependent. Such notice shall  
5 include an explanation of the rights of the dependent with respect to  
6 the dependent being enrolled in an accredited institution of learning or  
7 [~~his or her~~] such dependent's incapacity for self-sustaining employment  
8 by reason of mental illness, developmental disability as defined in the  
9 mental hygiene law or physical [~~handicap~~] disability.

10 § 3. The insurance law is amended by adding a new section 3246 to read  
11 as follows:

12 § 3246. Certain individual accident and health insurance policy  
13 provisions for developmentally disabled persons. 1. Any corporation  
14 subject to the provisions of this article offering any individual policy  
15 or contract covering the kind or kinds of insurance for an unmarried  
16 dependent child who is incapable of self-sustaining employment by reason  
17 of mental illness, or developmental disability as defined in the mental  
18 hygiene law, or physical disability and who became so incapable prior to  
19 the age at which dependent coverage would otherwise terminate shall be  
20 prohibited from terminating coverage based on age, employment, or mari-  
21 tal status if such dependent child is unmarried.

22 2. If the superintendent finds, after notice and hearing, that an  
23 insurer has knowingly and wrongfully violated the provisions of this  
24 section, the superintendent may impose a civil penalty of not more than  
25 ten thousand dollars for each violation.

26 § 4. The insurance law is amended by adding a new section 3247 to read  
27 as follows:

28 § 3247. Recertification of a developmentally disabled person's condi-  
29 tion. No corporation subject to the provisions of this article offering  
30 an individual policy or contract covering the kind or kinds of insurance  
31 for an unmarried dependent child who is incapable of self-sustaining  
32 employment by reason of mental illness, or developmental disability as  
33 defined in the mental hygiene law, or physical disability and who became  
34 so incapable prior to the age at which dependent coverage would other-  
35 wise terminate shall request recertification of an unmarried dependent  
36 child's condition more than once every five years, unless a substantial  
37 change in an unmarried dependent child's condition occurs.

38 § 5. Paragraph 3 of subsection (d) of section 4304 of the insurance  
39 law, as amended by chapter 479 of the laws of 2022, is amended to read  
40 as follows:

41 (3) Coverage of an unmarried dependent child who is incapable of self-  
42 sustaining employment by reason of mental illness, developmental disa-  
43 bility, as defined in the mental hygiene law, or physical [~~handicap~~]  
44 disability and who became so incapable prior to attainment of the age at  
45 which coverage would otherwise terminate and who is chiefly dependent  
46 upon the contract holder for support and maintenance, shall not termi-  
47 nate while the contract remains in force and the child remains in such  
48 condition, if the contract holder has within thirty-one days of such  
49 child's attainment of the limiting age submitted proof of such child's  
50 incapacity as described herein. A contract holder shall be provided six  
51 months' notice advising such contract holder that coverage would other-  
52 wise terminate if no such proof of a child's incapacity is submitted.

53 § 6. Item (ii) of subparagraph (A) of paragraph 1 of subsection (c) of  
54 section 4305 of the insurance law, as amended by chapter 479 of the laws  
55 of 2022, is amended to read as follows:

1 (ii) a contract under which coverage terminates at a specified age  
2 shall, with respect to an unmarried child who is incapable of self-sus-  
3 taining employment by reason of mental illness, developmental disabili-  
4 ty, as defined in the mental hygiene law, or physical [~~handicap~~] disa-  
5 bility and who became so incapable prior to attainment of the age at  
6 which coverage would otherwise terminate and who is chiefly dependent  
7 upon such member for support and maintenance, not so terminate while the  
8 contract remains in force and the child remains in such condition, if  
9 the member has within thirty-one days of such child's attainment of the  
10 termination age submitted proof of such child's incapacity as described  
11 herein. A contract holder shall be provided six months' notice advising  
12 such contract holder that coverage would otherwise terminate if no such  
13 proof of a child's incapacity is submitted.

14 § 7. The insurance law is amended by adding a new section 4331 to read  
15 as follows:

16 § 4331. Certain individual and group contracts health insurance policy  
17 provisions for developmentally disabled persons. 1. Any corporation  
18 subject to the provisions of this article offering any policy or  
19 contract covering the kind or kinds of insurance for an unmarried  
20 dependent child who is incapable of self-sustaining employment by reason  
21 of mental illness, or developmental disability as defined in the mental  
22 hygiene law, or physical disability and who became so incapable prior to  
23 the age at which dependent coverage would otherwise terminate shall be  
24 prohibited from terminating coverage based on age, employment, or mari-  
25 tal status if such dependent child is unmarried.

26 2. If the superintendent finds, after notice and hearing, that an  
27 insurer has knowingly and wrongfully violated the provisions of this  
28 section, the superintendent may impose a civil penalty of not more than  
29 ten thousand dollars for each violation.

30 § 8. The insurance law is amended by adding a new section 4332 to read  
31 as follows:

32 § 4332. Recertification of a developmentally disabled person's condi-  
33 tion. No corporation subject to the provisions of this article offering  
34 an individual policy or contract covering the kind or kinds of insurance  
35 for an unmarried dependent child who is incapable of self-sustaining  
36 employment by reason of mental illness, or developmental disability as  
37 defined in the mental hygiene law, or physical disability and who became  
38 so incapable prior to the age at which dependent coverage would other-  
39 wise terminate shall request recertification of an unmarried dependent  
40 child's condition more than once every five years, unless a substantial  
41 change in an unmarried dependent child's condition occurs.

42 § 9. This act shall take effect January 1, 2026 and shall apply to  
43 policies and contracts issued, renewed, modified, altered or amended on  
44 or after such date.