

# STATE OF NEW YORK

4962

2025-2026 Regular Sessions

## IN SENATE

February 14, 2025

Introduced by Sen. BAILEY -- 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 prohibitions on rebating and discrimination

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

1 Section 1. Subsection (c) of section 4224 of the insurance law, as  
2 amended by chapter 496 of the laws of 2013, is amended to read as  
3 follows:  
4 (c) (1) Except as permitted by section three thousand two hundred  
5 thirty-nine of this chapter or subsection (f) of this section, no such  
6 life insurance company and no such savings and insurance bank and no  
7 officer, agent, solicitor or representative thereof and no such insurer  
8 doing in this state the business of accident and health insurance and no  
9 officer, agent, solicitor or representative thereof, and no licensed  
10 insurance broker and no employee or other representative of any such  
11 insurer, agent or broker, shall pay, allow or give, or offer to pay,  
12 allow or give, directly or indirectly, as an inducement to any person to  
13 insure, or shall give, sell or purchase, or offer to give, sell or  
14 purchase, as such inducement, or interdependent with any policy of life  
15 insurance or annuity contract or policy of accident and health insur-  
16 ance, any stocks, bonds, or other securities, or any dividends or  
17 profits accruing or to accrue thereon, or any valuable consideration or  
18 inducement whatever not specified in such policy or contract other than  
19 any valuable consideration, including but not limited to merchandise or  
20 periodical subscriptions, not exceeding twenty-five dollars in value;  
21 nor shall any person in this state knowingly receive as such inducement,  
22 any rebate of premium or policy fee or any special favor or advantage in  
23 the dividends or other benefits to accrue on any such policy or  
24 contract, or knowingly receive any paid employment or contract for

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

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1 services of any kind, or any valuable consideration or inducement what-  
2 ever which is not specified in such policy or contract.

3 (2) Notwithstanding the provisions of paragraph one of this  
4 subsection, any services provided, or offered to be provided, by a life  
5 insurance company or any officer, agent, solicitor or representative  
6 thereof, or by an insurer doing in this state the business of accident  
7 and health insurance and an officer, agent, solicitor or representative  
8 thereof, or by a licensed insurance broker, an employee or other repre-  
9 sentative of any such, insurer, agent or broker; provided that such  
10 services are offered or delivered as part of the sale or renewal of an  
11 insurance policy, contract or group insurance policy and offered or  
12 delivered in a non-discriminatory manner to all similarly situated  
13 insureds or potential insureds, whether or not such services are speci-  
14 fied in such policy or contract, shall not be considered to be an  
15 inducement or rebate prohibited by this section unless the superinten-  
16 dent determines, after a notice and hearing, that the offer and sale of  
17 such services constituted the sole reason for the purchase of such  
18 insurance policy, contract or group insurance policy and that, but for  
19 the offer or delivery of such service, the purchase of such policy or  
20 contract would not have taken place.

21 § 2. This act shall take effect on the sixtieth day after it shall  
22 have become a law.