

10582

I N A S S E M B L Y

April 8, 2010

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

AN ACT to amend the insurance law, in relation to enacting the Nassau county insurance consortium act which enables the county of Nassau to enter into cooperative agreements with school districts, towns, and villages located within such county to pay for the provision of health care services to their employees

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

1 Section 1. This act shall be known and may be cited as the "Nassau  
2 county insurance consortium act".

3 S 2. Subsection (a) of section 4703 of the insurance law, as added by  
4 chapter 689 of the laws of 1994, is amended to read as follows:

5 (a) No municipal corporation shall establish, maintain or otherwise  
6 participate in a municipal cooperative health benefit plan in this state  
7 which provides benefits, in whole or part, on a shared-funding basis,  
8 unless the municipal cooperative health benefit plan:

9 (1) obtains and maintains a certificate of authority from the super-  
10 intendent pursuant to the provisions of this article; or

11 (2) is an employee welfare fund, as defined in article forty-four of  
12 this chapter that is administered by equal representation of employees  
13 and employers; or

14 (3) is exempt from the requirement of obtaining a license; or

15 (4) is, and continues to be, a fully-insured municipal cooperative  
16 health benefit plan; OR

17 (5) IS ESTABLISHED BY NASSAU COUNTY, IN WHICH CASE NO APPLICATION FOR  
18 OR RECEIPT OF A CERTIFICATE OF AUTHORITY PURSUANT TO THIS SECTION SHALL  
19 BE REQUIRED.

20 S 3. The opening paragraphs of subsections (a), (b), (c), (d), (e) and  
21 (f) of section 4705 of the insurance law, as added by chapter 689 of the  
22 laws of 1994, are amended to read as follows:

23 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A  
24 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF  
25 NASSAU PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS  
26 ARTICLE, THE municipal cooperation agreement, under which the municipal  
27 cooperative health benefit plan is established and maintained, and any  
28 amendment thereto, shall be approved by each participating municipal

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

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1 corporation by majority vote of each such corporation's governing body,  
2 and shall:

3 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A  
4 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF  
5 NASSAU PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS  
6 ARTICLE, THE municipal cooperation agreement shall provide that the  
7 plan's chief fiscal officer:

8 [A] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A  
9 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF  
10 NASSAU PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS  
11 ARTICLE, A municipal cooperation agreement shall include a provision:

12 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A  
13 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF  
14 NASSAU PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS  
15 ARTICLE, THE municipal cooperation agreement shall provide that the  
16 governing board:

17 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A  
18 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF  
19 NASSAU PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS  
20 ARTICLE, THE municipal cooperation agreement shall provide for the  
21 following to be prepared and furnished to the governing board, to  
22 participating municipal corporations, to unions which are the exclusive  
23 bargaining representatives of employees covered by the plan and to the  
24 superintendent:

25 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A  
26 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF  
27 NASSAU PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS  
28 ARTICLE, THE municipal cooperation agreement shall specify the rights  
29 and obligations of a municipal corporation withdrawing from a municipal  
30 cooperative health benefit plan to any contribution (or premium equiv-  
31 alent) refund or reserve fund or for any contingent assessment liability  
32 or other obligation.

33 S 4. The insurance law is amended by adding a new section 4705-a to  
34 read as follows:

35 S 4705-A. MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE  
36 COUNTY OF NASSAU. NASSAU COUNTY HEREBY HAS THE AUTHORITY TO ENTER A  
37 MUNICIPAL COOPERATION AGREEMENT FOR THE ESTABLISHMENT OF A MUNICIPAL  
38 COOPERATIVE HEALTH BENEFIT PLAN UPON SUCH TERMS AND CONDITIONS AS DETER-  
39 MINED AND AGREED TO BY THE COUNTY OF NASSAU AND PARTICIPATING MUNICIPAL  
40 CORPORATIONS. SUCH AGREEMENT MAY, AT THE OPTION OF THE COUNTY OF NASSAU,  
41 REQUIRE THAT EACH PARTICIPATING MUNICIPAL CORPORATION, OTHER THAN SUCH  
42 COUNTY, PAY AN ADMINISTRATIVE FEE TO THE COUNTY OF NASSAU FOR PARTIC-  
43 IPATION IN SUCH PLAN. NOTHING IN SUCH ADMINISTRATIVE FEE REQUIREMENT  
44 SHALL CONSTRUE NASSAU COUNTY AS DOING AN INSURANCE BUSINESS WITHIN THE  
45 MEANING OF SECTIONS ONE THOUSAND ONE HUNDRED ONE AND ONE THOUSAND ONE  
46 HUNDRED TWO OF THIS CHAPTER.

47 S 5. Section 4706 of the insurance law is amended by adding a new  
48 subsection (h) to read as follows:

49 (H) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A MUNICIPAL  
50 COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF NASSAU  
51 PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE.

52 S 6. Section 4707 of the insurance law is amended by adding a new  
53 subsection (d) to read as follows:

54 (D) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A MUNICIPAL  
55 COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF NASSAU  
56 PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE.

1 S 7. Section 4708 of the insurance law is amended by adding a new  
2 subsection (f) to read as follows:

3 (F) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A MUNICIPAL  
4 COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF NASSAU  
5 PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE.

6 S 8. Section 4709 of the insurance law is amended by adding a new  
7 subsection (d) to read as follows:

8 (D) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A MUNICIPAL  
9 COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF NASSAU  
10 PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE.

11 S 9. The opening paragraph of subsection (a) of section 4710 of the  
12 insurance law, as added by chapter 689 of the laws of 1994, is amended  
13 to read as follows:

14 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT  
15 PLAN ESTABLISHED BY THE COUNTY OF NASSAU PURSUANT TO SECTION FOUR THOU-  
16 SAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE, THE governing board of the  
17 municipal cooperative health benefit plan shall:

18 S 10. Section 4711 of the insurance law, as added by chapter 689 of  
19 the laws of 1994, is amended to read as follows:

20 S 4711. Examinations. (a) [The] EXCEPT IN THE CASE OF A MUNICIPAL  
21 COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF NASSAU, THE  
22 superintendent may examine the affairs of a municipal cooperative health  
23 benefit plan as often as deemed necessary, but not less than once in  
24 every three years, except that the superintendent may extend the three-  
25 year interval to no more than five years upon determining that the  
26 three-year requirement is not necessary to safeguard the interests of  
27 the public or covered persons.

28 (b) [In] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT  
29 PLAN ESTABLISHED BY THE COUNTY OF NASSAU, IN connection with such exam-  
30 inations, the superintendent may exercise the powers set forth in  
31 sections three hundred four, three hundred five, three hundred six,  
32 three hundred eight, three hundred ten, three hundred eleven, three  
33 hundred twelve, and three hundred thirteen of this chapter, and may also  
34 require special reports from a municipal cooperative health benefit plan  
35 as specified in section three hundred eight of this chapter.

36 (c) The governing board of every municipal cooperative health benefit  
37 plan shall be responsible for the maintenance of accurate records and  
38 books of account in regard to the plan.

39 (D) IN THE CASE OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTAB-  
40 LISHED BY THE COUNTY OF NASSAU, THE SUPERINTENDENT SHALL NOT BE ENTITLED  
41 TO EXAMINATION OF SUCH BENEFIT PLAN NOR MAY THE SUPERINTENDENT EXERCISE  
42 THE POWERS SET FORTH IN SECTIONS THREE HUNDRED FOUR, THREE HUNDRED FIVE,  
43 THREE HUNDRED SIX, THREE HUNDRED EIGHT, THREE HUNDRED TEN, THREE HUNDRED  
44 ELEVEN, THREE HUNDRED TWELVE, AND THREE HUNDRED THIRTEEN OF THIS CHAP-  
45 TER, AND MAY ALSO NOT REQUIRE SPECIAL REPORTS FROM A MUNICIPAL COOPER-  
46 ATIVE HEALTH BENEFIT PLAN AS SPECIFIED IN SECTION THREE HUNDRED EIGHT OF  
47 THIS CHAPTER IN REGARD TO SUCH PLAN.

48 S 11. Section 4713 of the insurance law is amended by adding a new  
49 subsection (d) to read as follows:

50 (D) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO THE DISSOLUTION  
51 OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY  
52 OF NASSAU.

53 S 12. This act shall take effect on the one hundred twentieth day  
54 after it shall have become a law.