S T A T E O F N E W Y O R K

6990

2009-2010 Regular Sessions

I N A S S E M B L Y

March 18, 2009

Introduced by M. of A. GOTTFRIED, BING, PAULIN, COOK, TITONE -- Multi-Sponsored by -- M. of A. BRADLEY, BROOK-KRASNY, CAHILL, COLTON, DINOWITZ, GALEF, GLICK, JACOBS, JAFFEE, KOON, LAVINE, LUPARDO, MAISEL, McENENY, MILLMAN, PHEFFER, RUSSELL, STIRPE, SWEENEY, WEISENBERG -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to rating of individual and small group health insurance contracts

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

Section 1. Paragraph 2 of subsection (i) of section 3231 of the insurance law, as amended by chapter 517 of the laws of 2008, is amended to read as follows:

(2) (A) For coverage purchased pursuant to this subsection, individual proprietors shall be classified in their own community rating category, provided however, up to and including December thirty-first, two thousand eleven, the premium rate established for individual proprietors purchased pursuant to paragraph one of this subsection shall not be greater than one hundred fifteen percent of the rate established for the same coverage issued to groups.

(B) NO INSURER SHALL IMPLEMENT OR ADJUST A PREMIUM RATE DIFFERENTIAL FOR INDIVIDUAL PROPRIETORS PURSUANT TO THIS PARAGRAPH UNTIL IT SHALL HAVE FILED WITH THE SUPERINTENDENT THE ACTUARIAL JUSTIFICATION FOR THE PROPOSED RATE DIFFERENTIAL AND OBTAINED THE SUPERINTENDENT'S APPROVAL THEREOF. THE ALTERNATE RATE FILING PROCEDURE SET FORTH IN PARAGRAPH TWO OF SUBSECTION (E) OF THIS SECTION SHALL NOT APPLY TO PREMIUM RATE DIFFERENTIALS ESTABLISHED OR ADJUSTED FOR INDIVIDUAL PROPRIETORS PURSUANT TO THIS PARAGRAPH.

(C) NOTHING IN THIS PARAGRAPH SHALL REQUIRE AN INSURER TO ESTABLISH A PREMIUM RATE FOR INDIVIDUAL PROPRIETORS THAT IS GREATER THAN THE RATE ESTABLISHED FOR THE SAME COVERAGE ISSUED TO GROUPS.

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

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S 2. Paragraph 2 of subsection (f) of section 4317 of the insurance law, as amended by chapter 517 of the laws of 2008, is amended to read as follows:

(2) (A) For coverage purchased pursuant to this subsection, individual proprietors shall be classified in their own community rating category, provided however, up to and including December thirty-first, two thousand eleven, the premium rate established for individual proprietors purchased pursuant to paragraph one of this subsection shall not be greater than one hundred fifteen percent of the rate established for the same coverage issued to groups.

(B) NO INSURER SHALL IMPLEMENT OR ADJUST A PREMIUM RATE DIFFERENTIAL FOR INDIVIDUAL PROPRIETORS PURSUANT TO THIS PARAGRAPH UNTIL IT SHALL HAVE FILED WITH THE SUPERINTENDENT THE ACTUARIAL JUSTIFICATION FOR THE PROPOSED RATE DIFFERENTIAL AND OBTAINED THE SUPERINTENDENT'S APPROVAL THEREOF. THE ALTERNATE RATE FILING PROCEDURE SET FORTH IN SUBSECTION (G) OF SECTION FOUR THOUSAND THREE HUNDRED EIGHT OF THIS ARTICLE SHALL NOT APPLY TO PREMIUM RATE DIFFERENTIALS ESTABLISHED OR ADJUSTED FOR INDIVIDUAL PROPRIETORS PURSUANT TO THIS PARAGRAPH.

(C) NOTHING IN THIS PARAGRAPH SHALL REQUIRE AN INSURER TO ESTABLISH A PREMIUM RATE FOR INDIVIDUAL PROPRIETORS THAT IS GREATER THAN THE RATE ESTABLISHED FOR THE SAME COVERAGE ISSUED TO GROUPS.

S 3. This act shall take effect immediately.