

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

9243--B

2009-2010 Regular Sessions

I N A S S E M B L Y

November 9, 2009

Introduced by M. of A. O'DONNELL -- read once and referred to the Committee on Insurance -- recommitted to the Committee on Insurance in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to providing enhanced consumer protections in the event of an insurer's discontinuance of coverage

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

1 Section 1. Short title. This act shall be known and may be cited as
2 "Ian's law".
3 S 2. Paragraph 3 of subsection (p) of section 3221 of the insurance
4 law, as added by chapter 661 of the laws of 1997, is amended to read as
5 follows:
6 (3)(A) In any case in which an insurer decides to discontinue offering
7 a particular class of group or blanket policy of hospital, surgical or
8 medical expense insurance offered in the small or large group market,
9 the policy of such class may be discontinued by the insurer in accordance
10 with this chapter in such market only if:
11 (i) the insurer provides written notice to each policyholder provided
12 coverage of this class in such market (and to all [participants] EMPLOY-
13 EES and [beneficiaries] MEMBER INSUREDS covered under such coverage) of
14 such discontinuance at least ninety days prior to the date of discontin-
15 uance of such coverage. IN ADDITION TO ANY OTHER INFORMATION REQUIRED OF
16 NOTICES BY THE SUPERINTENDENT, THIS WRITTEN NOTICE SHALL CONSPICUOUSLY
17 INCLUDE AN EXPLANATION, IN PLAIN LANGUAGE, OF THE POLICYHOLDER'S AND
18 COVERED EMPLOYEE'S OR MEMBER INSURED'S RIGHTS UNDER THIS SUBPARAGRAPH
19 AND (B) OF THIS PARAGRAPH, INCLUDING:

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

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1 (I) A STATEMENT THAT IF THE SUPERINTENDENT DETERMINES THAT THE COVERED
2 EMPLOYEE, MEMBER INSURED, OR A DEPENDENT HAS A SERIOUS MEDICAL CONDI-
3 TION, AND THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE
4 PREVIOUS TWELVE MONTHS UTILIZED A BENEFIT UNDER THE POLICY RELATED TO
5 THE SERIOUS MEDICAL CONDITION THAT IS NOT COVERED BY THE REPLACEMENT
6 COVERAGE OFFERED TO THE POLICYHOLDER AS A RESULT OF THE DISCONTINUANCE,
7 THEN THE SUPERINTENDENT SHALL REQUIRE THE INSURER TO OFFER THE POLICY-
8 HOLDER REPLACEMENT COVERAGE THAT INCLUDES A BENEFIT THAT IS THE SAME AS
9 OR SUBSTANTIALLY SIMILAR TO THE BENEFIT SET FORTH IN THE POLICY THAT THE
10 INSURER DISCONTINUED; AND

11 (II) AN EXPLANATION AS TO HOW TO CONTACT THE SUPERINTENDENT, AND THE
12 DATE BY WHICH THE SUPERINTENDENT SHALL BE CONTACTED, IF THE POLICYHOLD-
13 ER, COVERED EMPLOYEE OR MEMBER INSURED BELIEVES THAT THE COVERED EMPLOY-
14 EE, MEMBER INSURED OR A DEPENDENT HAS A SERIOUS MEDICAL CONDITION, AND
15 THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE PREVIOUS
16 TWELVE MONTHS UTILIZED A BENEFIT RELATED TO THE SERIOUS MEDICAL CONDI-
17 TION THAT MAY NOT BE COVERED BY THE REPLACEMENT COVERAGE OFFERED TO THE
18 POLICYHOLDER AS A RESULT OF THE DISCONTINUANCE;

19 (ii) the insurer offers to each policyholder provided coverage of this
20 class in such market, the option to purchase all (or, in the case of the
21 large group market, any) other hospital, surgical and medical expense
22 coverage currently being offered by the insurer to a group in such
23 market; [and]

24 (iii) in exercising the option to discontinue coverage of this class
25 and in offering the option of coverage under item (ii) of this subpara-
26 graph, the insurer acts uniformly without regard to the claims experi-
27 ence of those policyholders or any health status-related factor relating
28 to any [insureds covered or new insureds] PARTICULAR COVERED EMPLOYEE,
29 MEMBER INSURED OR DEPENDENT OR PARTICULAR NEW EMPLOYEE, MEMBER INSURED
30 OR DEPENDENT who may become eligible for such coverage, AND THE INSURER
31 IS NOT DISCONTINUING THE COVERAGE OF THIS CLASS WITH THE INTENT OR AS A
32 PRETEXT TO DISCONTINUING THE COVERAGE OF ANY SUCH EMPLOYEE, MEMBER
33 INSURED OR DEPENDENT; AND

34 (IV) AT LEAST NINETY DAYS PRIOR TO THE DATE OF DISCONTINUANCE OF SUCH
35 COVERAGE, THE INSURER PROVIDES WRITTEN NOTICE TO THE SUPERINTENDENT OF
36 SUCH DISCONTINUANCE, INCLUDING THE REASON FOR THE DISCONTINUANCE, AND AN
37 OFFICER OR DIRECTOR OF THE INSURER CERTIFIES TO THE SUPERINTENDENT THAT
38 THE INSURER HAS COMPLIED WITH ITEMS (I), (II) AND (III) OF THIS PARA-
39 GRAPH. IF SUCH NOTICE DOES NOT INCLUDE THE DATE OR DATES THAT THE INSUR-
40 ER MAILED OR DELIVERED THE NOTICE TO ALL POLICYHOLDERS, COVERED EMPLOY-
41 ERS AND MEMBER INSUREDS, THE INSURER SHALL NOTIFY THE SUPERINTENDENT OF
42 SUCH DATE WITHIN SEVEN DAYS OF THE COMPLETION OF THE MAILING OR
43 DELIVERY.

44 (B) IF THE SUPERINTENDENT DETERMINES THAT THE INSURER HAS NOT COMPLIED
45 WITH ITEM (III) OF SUBPARAGRAPH (A) OF THIS PARAGRAPH, THEN THE SUPER-
46 INTENDENT MAY PROHIBIT THE INSURER FROM DISCONTINUING THE CLASS OF POLI-
47 CIES AND REQUIRE THE INSURER TO PROMPTLY NOTIFY EVERY POLICYHOLDER,
48 COVERED EMPLOYEE AND MEMBER INSURED THAT THE INSURER IS NOT DISCONTINU-
49 ING THE POLICIES. IF THE SUPERINTENDENT DETERMINES THAT THE INSURER
50 WRONGFULLY DISCONTINUED THE CLASS OF POLICIES PURSUANT TO ITEM (III) OF
51 SUBPARAGRAPH (A), THEN THE SUPERINTENDENT SHALL REQUIRE THAT THE INSURER
52 TAKE REMEDIAL ACTION, INCLUDING OFFERING TO GROUP POLICYHOLDERS THE
53 OPTION OF REINSTATING THE DISCONTINUED POLICY FORMS. IF THE SUPERINTEN-
54 DENT DETERMINES THAT THE INSURER DISCONTINUED THE CLASS OF POLICIES
55 WITHOUT COMPLIANCE WITH ITEMS (I), (II), OR (IV) OF SUBPARAGRAPH (A),
56 AND AN EMPLOYEE, MEMBER INSURED OR DEPENDENT COVERED UNDER THE DISCON-

1 TINUED POLICY WOULD HAVE BEEN ENTITLED TO RELIEF UNDER THIS PARAGRAPH,
2 THEN THE SUPERINTENDENT MAY REQUIRE THAT THE INSURER OFFER REPLACEMENT
3 COVERAGE TO AN AFFECTED POLICYHOLDER CONSISTENT WITH ITEM (II) OF
4 SUBPARAGRAPH (C) OF THIS PARAGRAPH.

5 (C) (I) IF, WITHIN FORTY-FIVE DAYS AFTER THE INSURER MAILS OR DELIVERS
6 THE WRITTEN NOTICE OF DISCONTINUANCE REQUIRED BY ITEM (I) OF SUBPARA-
7 GRAPH (A) OF THIS PARAGRAPH, THE SUPERINTENDENT IS NOTIFIED BY A POLICY-
8 HOLDER OR COVERED EMPLOYEE OR MEMBER INSURED THAT A COVERED EMPLOYEE,
9 MEMBER INSURED OR DEPENDENT HAS A SERIOUS MEDICAL CONDITION AND THAT A
10 BENEFIT UTILIZED BY THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT
11 WITHIN THE PREVIOUS TWELVE MONTHS RELATED TO THE SERIOUS MEDICAL CONDI-
12 TION MAY NOT BE COVERED BY THE REPLACEMENT COVERAGE OFFERED TO THE POLI-
13 CYHOLDER AS A RESULT OF THE DISCONTINUANCE, THEN THE SUPERINTENDENT
14 SHALL, WITHIN TWENTY DAYS OF THE NOTIFICATION, ASK THE INSURER TO
15 CONFIRM THAT THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT UTILIZE A
16 BENEFIT WITHIN THE PREVIOUS TWELVE MONTHS TO TREAT THE MEDICAL CONDITION
17 THAT THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT ASSERTS IS A
18 SERIOUS MEDICAL CONDITION, AND THAT THE BENEFIT IS NOT COVERED BY THE
19 REPLACEMENT COVERAGE. THE SUPERINTENDENT MAY REQUEST SUCH ADDITIONAL
20 INFORMATION AS THE SUPERINTENDENT MAY REQUIRE. THE INSURER SHALL PROVIDE
21 ALL REQUESTED INFORMATION TO THE SUPERINTENDENT WITHIN FIVE DAYS OF
22 RECEIPT OF THE REQUEST.

23 (II) IF, WITHIN TWENTY DAYS OF THE SUPERINTENDENT'S RECEIPT OF ALL
24 ADDITIONAL INFORMATION REQUESTED FROM THE INSURER, THE SUPERINTENDENT
25 DETERMINES THAT (I) THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT
26 HAS A SERIOUS MEDICAL CONDITION; AND (II) THE BENEFIT UTILIZED BY THE
27 COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE PREVIOUS TWELVE
28 MONTHS RELATED TO THE SERIOUS MEDICAL CONDITION IS NOT COVERED BY THE
29 REPLACEMENT COVERAGE OFFERED TO THE POLICYHOLDER AS A RESULT OF THE
30 DISCONTINUANCE, THEN THE SUPERINTENDENT SHALL REQUIRE THE INSURER TO
31 OFFER TO THE POLICYHOLDER REPLACEMENT COVERAGE THAT INCLUDES A BENEFIT
32 THAT IS THE SAME AS OR SUBSTANTIALLY SIMILAR TO THE BENEFIT SET FORTH IN
33 THE POLICY THAT THE INSURER DISCONTINUED. IF THE REPLACEMENT COVERAGE IS
34 NOT AVAILABLE, AT THE TIME THAT THE POLICY WOULD OTHERWISE BE DISCONTIN-
35 UED, THEN THE INSURER SHALL KEEP THE EXISTING POLICY IN FORCE FOR THE
36 AFFECTED POLICYHOLDER UNTIL THE REPLACEMENT COVERAGE WITH THE SUBSTAN-
37 TIALY SIMILAR BENEFIT IS AVAILABLE.

38 (D) THE REMEDIES AS PROVIDED IN THIS PARAGRAPH SHALL BE IN ADDITION TO
39 AND NOT IN LIEU OF ANY OTHER AUTHORITY OR POWER OF THE SUPERINTENDENT TO
40 IMPOSE MONETARY OR OTHER PENALTIES FOR VIOLATIONS OF THIS PARAGRAPH.

41 [(B)] (E) In any case in which an insurer elects to discontinue offer-
42 ing all hospital, surgical and medical expense coverage in the small
43 group market or the large group market, or both markets, in this state,
44 health insurance coverage may be discontinued by the insurer only if:

45 (i) the insurer provides written notice to the superintendent and to
46 each policyholder (and [participants and beneficiaries] ALL EMPLOYEES
47 AND MEMBER INSUREDS covered under such coverage) of such discontinuance
48 at least one hundred eighty days prior to the date of the discontinuance
49 of such coverage;

50 (ii) all hospital, surgical and medical expense coverage issued or
51 delivered for issuance in this state in such market (or markets) is
52 discontinued and coverage under such policies in such market (or
53 markets) is not renewed; and

54 (iii) in addition to the notice to the superintendent referred to in
55 item (i) of this subparagraph, the insurer [must] SHALL provide the
56 superintendent with a written plan to minimize potential disruption in

1 the marketplace occasioned by [its] THE INSURER'S withdrawal from the
2 market.

3 [(C)] (F) In the case of a discontinuance under subparagraph [(B)] (E
4 of this paragraph in a market, the insurer may not provide for the issu-
5 ance of any group or blanket policy of hospital, surgical or medical
6 expense insurance in that market in this state during the five year
7 period beginning on the date of the discontinuance of the last health
8 insurance policy not so renewed.

9 S 3. Paragraph 3 of subsection (j) of section 4305 of the insurance
10 law, as added by chapter 661 of the laws of 1997, is amended to read as
11 follows:

12 (3) (A) In any case in which a corporation decides to discontinue
13 offering a particular class of group or blanket contract of hospital,
14 surgical or medical expense insurance offered in the small or large
15 group market, the contract of such class may be discontinued by the
16 corporation in accordance with this chapter in such market only if:

17 (i) the corporation provides written notice to each contract holder
18 provided coverage of this class in such market (and to all [partic-
19 ipants] EMPLOYEES and [beneficiaries] MEMBER INSUREDS covered under such
20 coverage) of such discontinuance at least ninety days prior to the date
21 of discontinuance of such coverage. IN ADDITION TO ANY OTHER INFORMATION
22 REQUIRED OF NOTICES BY THE SUPERINTENDENT, THIS WRITTEN NOTICE SHALL
23 CONSPICUOUSLY INCLUDE AN EXPLANATION, IN PLAIN LANGUAGE, OF THE CONTRACT
24 HOLDER'S AND COVERED EMPLOYEE'S OR MEMBER INSURED'S RIGHTS UNDER THIS
25 SUBPARAGRAPH AND SUBPARAGRAPH (B) OF THIS PARAGRAPH, INCLUDING:

26 (I) A STATEMENT THAT IF THE SUPERINTENDENT DETERMINES THAT THE COVERED
27 EMPLOYEE, MEMBER INSURED, OR A DEPENDENT HAS A SERIOUS MEDICAL CONDI-
28 TION, AND THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE
29 PREVIOUS TWELVE MONTHS UTILIZED A BENEFIT UNDER; THE CONTRARY RELATED TO
30 THE SERIOUS MEDICAL CONDITION THAT IS NOT COVERED BY THE REPLACEMENT
31 COVERAGE OFFERED TO THE CONTRACT HOLDER AS A RESULT OF THE DISCONTIN-
32 UANCE, THEN THE SUPERINTENDENT SHALL REQUIRE THE CORPORATION TO OFFER
33 THE CONTRACT HOLDER REPLACEMENT COVERAGE THAT INCLUDES A BENEFIT THAT IS
34 THE SAME AS OR SUBSTANTIALLY SIMILAR TO THE BENEFIT SET FORTH IN THE
35 CONTRACT THAT THE CORPORATION DISCONTINUED; AND

36 (II) AN EXPLANATION AS TO HOW TO CONTACT THE SUPERINTENDENT, AND THE
37 DATE BY WHICH THE SUPERINTENDENT SHALL BE CONTACTED, IF THE CONTRACT
38 HOLDER, COVERED EMPLOYEE OR MEMBER INSURED BELIEVES THAT THE COVERED
39 EMPLOYEE, MEMBER INSURED OR A DEPENDENT HAS A SERIOUS MEDICAL CONDITION,
40 AND THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE PREVI-
41 OUS TWELVE MONTHS UTILIZED A BENEFIT RELATED TO THE SERIOUS MEDICAL
42 CONDITION THAT MAY NOT BE COVERED BY THE REPLACEMENT COVERAGE OFFERED TO
43 THE CONTRACT HOLDER AS A RESULT OF THE DISCONTINUANCE;

44 (ii) the corporation offers to each contract holder provided coverage
45 of this class in such market, the option to purchase all (or, in the
46 case of the large group market, any) other hospital, surgical and
47 medical expense coverage currently being offered by the corporation to a
48 group in such market; [and]

49 (iii) in exercising the option to discontinue coverage of this class
50 and in offering the option of coverage under item (ii) of this subpara-
51 graph, the corporation acts uniformly without regard to the claims expe-
52 rience of those contract holders or any health status-related factor
53 relating to any [subscribers covered or new subscribers] PARTICULAR
54 COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT who may become eligible
55 for such coverage, AND THE CORPORATION IS NOT DISCONTINUING THE COVERAGE

1 OF THIS CLASS WITH THE INTENT OR AS A PRETEXT TO DISCONTINUING THE
2 COVERAGE OF ANY SUCH EMPLOYEE, MEMBER INSURED OR DEPENDENT; AND

3 (IV) AT LEAST NINETY DAYS PRIOR TO THE DATE OF DISCONTINUANCE OF SUCH
4 COVERAGE, THE CORPORATION PROVIDES WRITTEN NOTICE TO THE SUPERINTENDENT
5 OF SUCH DISCONTINUANCE, INCLUDING THE REASON FOR THE DISCONTINUANCE, AND
6 AN OFFICER OR DIRECTOR OF THE CORPORATION CERTIFIES TO THE SUPERINTEN-
7 DENT THAT THE CORPORATION HAS COMPLIED WITH ITEMS (I), (II) AND (III) OF
8 THIS PARAGRAPH. IF SUCH NOTICE DOES NOT INCLUDE THE DATE OR DATES THAT
9 THE CORPORATION MAILED OR DELIVERED THE NOTICE TO ALL CONTRACT HOLDERS,
10 COVERED EMPLOYERS AND MEMBER INSUREDS, THE CORPORATION SHALL NOTIFY THE
11 SUPERINTENDENT OF SUCH DATE WITHIN SEVEN DAYS OF THE COMPLETION OF THE
12 MAILING OR DELIVERY.

13 (B) IF THE SUPERINTENDENT DETERMINES THAT THE CORPORATION HAS NOT
14 COMPLIED WITH ITEM (III) OF SUBPARAGRAPH (A) OF THIS PARAGRAPH, THEN THE
15 SUPERINTENDENT MAY PROHIBIT THE CORPORATION FROM DISCONTINUING THE CLASS
16 OF CONTRACTS AND REQUIRE THE CORPORATION TO PROMPTLY NOTIFY EVERY
17 CONTRACT HOLDER, COVERED EMPLOYEE AND MEMBER INSURED THAT THE CORPO-
18 RATION IS NOT DISCONTINUING THE CONTRACTS. IF THE SUPERINTENDENT DETER-
19 MINES THAT THE CORPORATION WRONGFULLY DISCONTINUED THE CLASS OF
20 CONTRACTS PURSUANT TO ITEM (III) OF SUBPARAGRAPH (A), THEN THE SUPER-
21 INTENDENT SHALL REQUIRE THAT THE CORPORATION TAKE REMEDIAL ACTION,
22 INCLUDING OFFERING TO GROUP CONTRACT HOLDERS THE OPTION OF REINSTATING
23 THE DISCONTINUED CONTRACT FORMS. IF THE SUPERINTENDENT DETERMINES THAT
24 THE CORPORATION DISCONTINUED THE CLASS OF CONTRACTS WITHOUT COMPLIANCE
25 WITH ITEMS (I), (II), OR (IV) OF SUBPARAGRAPH (A), AND AN EMPLOYEE,
26 MEMBER INSURED OR DEPENDENT COVERED UNDER THE DISCONTINUED CONTRACT
27 WOULD HAVE BEEN ENTITLED TO RELIEF UNDER THIS PARAGRAPH, THEN THE SUPER-
28 INTENDENT MAY REQUIRE THAT THE CORPORATION OFFER REPLACEMENT COVERAGE TO
29 AN AFFECTED CONTRACT HOLDER CONSISTENT WITH ITEM (II) OF SUBPARAGRAPH
30 (C) OF THIS PARAGRAPH.

31 (C) (I) IF, WITHIN FORTY-FIVE DAYS AFTER THE CORPORATION MAILES OR
32 DELIVERS THE WRITTEN NOTICE OF DISCONTINUANCE REQUIRED BY ITEM (I) OF
33 SUBPARAGRAPH (A) OF THIS PARAGRAPH, THE SUPERINTENDENT IS NOTIFIED BY A
34 CONTRACT HOLDER OR COVERED EMPLOYEE OR MEMBER INSURED THAT A COVERED
35 EMPLOYEE, MEMBER INSURED OR DEPENDENT HAS A SERIOUS MEDICAL CONDITION
36 AND THAT A BENEFIT UTILIZED BY THE COVERED EMPLOYEE, MEMBER INSURED OR
37 DEPENDENT WITHIN THE PREVIOUS TWELVE MONTHS RELATED TO THE SERIOUS
38 MEDICAL CONDITION MAY NOT BE COVERED BY THE REPLACEMENT COVERAGE OFFERED
39 TO THE CONTRACT HOLDER AS A RESULT OF THE DISCONTINUANCE, THEN THE
40 SUPERINTENDENT SHALL, WITHIN TWENTY DAYS OF THE NOTIFICATION, ASK THE
41 CORPORATION TO CONFIRM THAT THE COVERED EMPLOYEE, MEMBER INSURED OR
42 DEPENDENT UTILIZED A BENEFIT WITHIN THE PREVIOUS TWELVE MONTHS TO TREAT
43 THE MEDICAL CONDITION THAT THE COVERED EMPLOYEE, MEMBER INSURED OR
44 DEPENDENT ASSERTS IS A SERIOUS MEDICAL CONDITION, AND THAT THE BENEFIT
45 IS NOT COVERED BY THE REPLACEMENT COVERAGE. THE SUPERINTENDENT MAY
46 REQUEST SUCH ADDITIONAL INFORMATION AS THE SUPERINTENDENT MAY REQUIRE.
47 THE CORPORATION SHALL PROVIDE ALL REQUESTED INFORMATION TO THE SUPER-
48 INTENDENT WITHIN FIVE DAYS OF RECEIPT OF THE REQUEST.

49 (II) IF, WITHIN TWENTY DAYS OF THE SUPERINTENDENT'S RECEIPT OF ALL
50 ADDITIONAL INFORMATION REQUESTED FROM THE CORPORATION, THE SUPERINTEN-
51 DENT DETERMINES THAT (I) THE COVERED EMPLOYEE, MEMBER INSURED OR DEPEND-
52 ENT HAS A SERIOUS MEDICAL CONDITION; AND (II) THE BENEFIT UTILIZED BY
53 THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE PREVIOUS
54 TWELVE MONTHS RELATED TO THE SERIOUS MEDICAL CONDITION IS NOT COVERED BY
55 THE REPLACEMENT COVERAGE OFFERED TO THE CONTRACT HOLDER AS A RESULT OF
56 THE DISCONTINUANCE, THEN THE SUPERINTENDENT SHALL REQUIRE THE CORPO-

1 RATION TO OFFER TO THE CONTRACT HOLDER REPLACEMENT COVERAGE THAT
2 INCLUDES A BENEFIT THAT IS THE SAME AS OR SUBSTANTIALLY SIMILAR TO THE
3 BENEFIT SET FORTH IN THE CONTRACT THAT THE CORPORATION DISCONTINUED. IF
4 THE REPLACEMENT COVERAGE IS NOT AVAILABLE, AT THE TIME THAT THE CONTRACT
5 WOULD OTHERWISE BE DISCONTINUED, THEN THE CORPORATION SHALL KEEP THE
6 EXISTING POLICY IN FORCE FOR THE AFFECTED CONTRACT HOLDER UNTIL THE
7 REPLACEMENT COVERAGE WITH THE SUBSTANTIALLY SIMILAR BENEFIT IS AVAIL-
8 ABLE.

9 (D) THE REMEDIES AS PROVIDED IN THIS PARAGRAPH SHALL BE IN ADDITION TO
10 AND NOT IN LIEU OF ANY OTHER AUTHORITY OR POWER OF THE SUPERINTENDENT TO
11 IMPOSE MONETARY OR OTHER PENALTIES FOR VIOLATIONS OF THIS PARAGRAPH.

12 [(B)] (E) In any case in which a corporation elects to discontinue
13 offering all hospital, surgical and medical expense coverage in the
14 small group market or the large group market, or both markets, in this
15 state, health insurance coverage may be discontinued by the corporation
16 only if:

17 (i) the corporation provides written notice to the superintendent and
18 to each contract holder (and [participants and beneficiaries] ALL
19 EMPLOYEES AND MEMBER INSUREDS covered under such coverage) of such
20 discontinuance at least one hundred eighty days prior to the date of the
21 discontinuance of such coverage;

22 (ii) all hospital, surgical and medical expense coverage issued or
23 delivered for issuance in this state in such market or markets is
24 discontinued and coverage under such contracts in such market or markets
25 is not renewed; and

26 (iii) in addition to the notice to the superintendent referred to in
27 item (i) of this subparagraph, the corporation [must] SHALL provide the
28 superintendent with a written plan to minimize potential disruption in
29 the marketplace occasioned by [its] THE CORPORATION'S withdrawal from
30 the market.

31 [(C)] (F) In the case of a discontinuance under subparagraph [(B)] (E)
32 of this paragraph in a market, the corporation may not provide for the
33 issuance of any group or blanket contract of hospital, surgical or
34 medical expense insurance in that market in this state during the five-
35 year period beginning on the date of the discontinuance of the last
36 health insurance contract not so renewed.

37 S 4. This act shall take effect on the first of January next succeed-
38 ing the date on which it shall have become a law.