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

1695

2009-2010 Regular Sessions

I N S E N A T E

February 5, 2009

Introduced by Sen. KRUGER -- 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 third-party notification prior to termination of health insurance policies for subscribers aged sixty-five years or older

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

Section 1. Subsection (c) of section 3111 of the insurance law, as amended by chapter 341 of the laws of 1991, is amended to read as follows:

(c) Every insurer, CORPORATION ORGANIZED UNDER ARTICLE FORTY-THREE OF THIS CHAPTER OR ORGANIZATION CERTIFIED PURSUANT TO ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW that has in force a HEALTH INSURANCE POLICY OR medicare supplemental insurance policy as defined in section three thousand two hundred eighteen of this chapter the premiums for which are paid directly to the insurer by the senior citizen insured shall permit senior citizen insureds to designate a third party to whom the insurer shall transmit notices of nonpayment of premiums due or notice of cancellation for nonpayment of premiums, as determined by the insurer. The senior citizen shall notify the insurer that a third party has been so designated. Such notification shall be delivered to the insurer by certified mail, return receipt requested, and shall be effective not later than ten business days from the date of receipt by the insurer. The notification must contain, in writing, an acceptance by the third party designee to receive such notices of cancellation. Should the third party designee desire to terminate his or her status as a third party designee, such designee shall provide written notice to both the insurer and the senior citizen insured. Should the senior citizen insured desire to terminate the third party designation, the insured shall provide written notice to the insurer. The transmission to the third party designee of any such notice of cancellation shall be in addition to a

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

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copy of such document transmitted to the senior citizen insured and when a third party is so designated all such notices shall be mailed in an envelope clearly marked on its face with the following: "IMPORTANT INSURANCE POLICY INFORMATION: OPEN IMMEDIATELY". Designation as a third party shall not constitute acceptance of any liability on the third party for services provided to such senior citizen. The insurer shall notify its senior citizen insureds annually in writing of the availability of the third party designee notice procedure and provide information on how the insured can commence this procedure; however, such notice need not be provided once a senior citizen has made a designation.

S 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to all policies issued, renewed, altered or modified on or after such date.