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

5580

2009-2010 Regular Sessions

I N S E N A T E

May 19, 2009

Introduced by Sen. BRESLIN -- 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 group life and group accident and health insurance policies

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

Section 1. Paragraph 1 of subsection (b) of section 4216 of the insurance law, as amended by chapter 369 of the laws of 1985, is amended to read as follows:

(1) A policy issued to an employer or to a trustee or trustees of a fund established by an employer, which employer or trustees shall be deemed the policyholder, insuring with or without evidence of individual insurability satisfactory to the insurer, employees of such employer, and insuring, except as hereinafter provided, all of such employees or all of any class or classes thereof determined by conditions pertaining to the employment, [or by a combination of such conditions and conditions pertaining to the family status of the employee,] for amounts of insurance on each person insured based upon some plan which will preclude individual selection. [However, such a plan may permit a limited number of selections by employees if the selections offered utilize a consistent pattern of grading the amounts of insurance for individual group members so that the resulting pattern of coverage is reasonable.] The premium for the policy shall be paid by the policyholder, either wholly from the employer's funds [or funds contributed by him] or from funds contributed by the insured employees, or from funds contributed jointly by the employer and employees. If all or part of the premium is to be derived from funds contributed by the insured employees, such policy must insure not less than [fifty percent of such eligible employees or, if less, fifty or more] TWO of such employees. Except as provided in subsection (b) of section four thousand two hundred thirty-one of this article and in paragraph five of subsection (a) of section

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

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three thousand two hundred twenty of this chapter, such policy shall provide for payment of all benefits thereunder, to the person insured or to some beneficiary or beneficiaries other than the employer, and shall provide for the issuance of a certificate to the policyholder for delivery to the person insured or to such beneficiary, as evidence of such insurance.

S 2. Subparagraph (A) of paragraph 1 of subsection (c) of section 4235 of the insurance law, as separately amended by chapters 369 and 846 of the laws of 1985, is amended to read as follows:

(A) A policy issued to an employer or to a trustee or trustees of a fund established by an employer, which employer or trustee or trustees shall be deemed the policyholder, insuring with or without evidence of insurability satisfactory to the insurer, employees of such employer, and insuring, except as hereinafter provided, all of such employees or all of any class or classes thereof determined by conditions pertaining to the employment [or a combination of such conditions and conditions pertaining to the family status of the employee,] for insurance coverage on each person insured based upon some plan which will preclude individual selection. [However, such a plan may permit a limited number of selections by employees if the selections offered utilize consistent plans of coverage for individual group members so that the resulting plans of coverage are reasonable.] The premium for the policy shall be paid by the policyholder, either from the employer's funds, or from funds contributed by the insured employees, or from funds contributed jointly by the employer and employees. [If] WHERE A POLICY PROVIDES HOSPITAL, MEDICAL, MAJOR MEDICAL OR SIMILAR COMPREHENSIVE TYPES OF EXPENSE REIMBURSED COVERAGE AND all or part of the premium is to be derived from funds contributed by the insured employees, then such policy must insure not less than fifty percent of such eligible employees or, if less, fifty or more of such employees. FOR OTHER TYPES OF COVERAGE, IF ALL OR PART OF THE PREMIUM IS TO BE DERIVED FROM FUNDS CONTRIBUTED BY THE INSURED EMPLOYEES, THEN SUCH POLICY MUST INSURE NOT LESS THAN TWO OF SUCH EMPLOYEES.

S 3. This act shall take effect immediately.