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

4900

2009-2010 Regular Sessions

I N A S S E M B L Y

February 6, 2009

Introduced by M. of A. COOK, GOTTFRIED, CYMBROWITZ, PHEFFER -- Multi-Sponsored by -- M. of A. BRENNAN, CHRISTENSEN, GLICK, HOOPER, JACOBS, McENENY, PEOPLES, SWEENEY, WEINSTEIN, WEISENBERG -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to providing disclosure to medicare supplemental insurance policy holders regarding the rights of such holders at the time of a rate change

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

Section 1. The insurance law is amended by adding a new section 3218-a to read as follows:

S 3218-A. REQUIRED DISCLOSURE TO MEDICARE SUPPLEMENTAL INSURANCE POLICY HOLDERS. (A) EVERY INSURER OFFERING A RENEWAL OF A CONTRACT TO A CLOSED BLOCK MEMBER, OR NOTIFYING SUCH CLOSED BLOCK MEMBER OF A PROPOSED OR APPROVED CHANGE IN THE PREMIUMS OR THE BENEFITS UNDER SUCH CONTRACT, SHALL NOTIFY SUCH MEMBER IN WRITING, IN A FORM APPROVED BY THE SUPERINTENDENT, OF: (1) THE ABILITY OF SUCH MEMBER TO PURCHASE A DIFFERENT POLICY WITHOUT UNDERGOING A PRE-EXISTING CONDITION WAITING PERIOD PROVIDING THERE WAS CONTINUOUS COVERAGE THE PREVIOUS SIX MONTHS; AND (2) THE AVAILABILITY OF ANY POLICY OR CONTRACT OFFERED BY SUCH INSURER PROVIDING SIMILAR BENEFITS AT A LOWER PREMIUM, AND A TOLL-FREE TELEPHONE NUMBER AND INTERNET WEBSITE WHERE SUCH MEMBER MAY FIND INFORMATION REGARDING POLICIES PROVIDING SIMILAR BENEFITS OFFERED BY ANOTHER INSURER, A CORPORATION ORGANIZED PURSUANT TO ARTICLE FORTY-THREE OF THIS CHAPTER, OR AN ORGANIZATION CERTIFIED PURSUANT TO ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW.

(B) FOR THE PURPOSES OF THIS SECTION, "CLOSED BLOCK MEMBER" SHALL MEAN THE HOLDER OF A CONTRACT OF MEDICARE SUPPLEMENTAL INSURANCE ISSUED BY AN INSURER PURSUANT TO A FORM FOR WHICH SUCH INSURER NO LONGER SOLICITS OR ACCEPTS NEW POLICYHOLDERS, BUT CONTINUES TO OFFER RENEWAL CONTRACTS TO EXISTING POLICYHOLDERS UNDER SUCH FORM.

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

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S 2. The insurance law is amended by adding a new section 4328 to read as follows:

S 4328. REQUIRED DISCLOSURE TO MEDICARE SUPPLEMENTAL INSURANCE POLICY HOLDERS. (A) EVERY CORPORATION OFFERING A RENEWAL OF A CONTRACT TO A CLOSED BLOCK MEMBER, OR NOTIFYING SUCH CLOSED BLOCK MEMBER OF A PROPOSED OR APPROVED CHANGE IN THE PREMIUMS OR THE BENEFITS UNDER SUCH CONTRACT, SHALL NOTIFY SUCH MEMBER IN WRITING, IN A FORM APPROVED BY THE SUPERINTENDENT, OF: (1) THE ABILITY OF SUCH MEMBER TO PURCHASE A DIFFERENT CONTRACT WITHOUT UNDERGOING A PRE-EXISTING CONDITION WAITING PERIOD PROVIDING THERE WAS CONTINUOUS COVERAGE THE PREVIOUS SIX MONTHS; AND (2) THE AVAILABILITY OF ANY POLICY OR CONTRACT OFFERED BY SUCH CORPORATION PROVIDING SIMILAR BENEFITS AT A LOWER PREMIUM, AND A TOLL-FREE TELEPHONE NUMBER AND INTERNET WEBSITE WHERE SUCH MEMBER MAY FIND INFORMATION REGARDING CONTRACTS PROVIDING SIMILAR BENEFITS OFFERED BY ANOTHER INSURER, A CORPORATION ORGANIZED PURSUANT TO THIS ARTICLE, OR AN ORGANIZATION CERTIFIED PURSUANT TO ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW.

(B) FOR THE PURPOSES OF THIS SECTION, "CLOSED BLOCK MEMBER" SHALL MEAN THE HOLDER OF A CONTRACT OF MEDICARE SUPPLEMENTAL INSURANCE ISSUED BY A CORPORATION PURSUANT TO A FORM FOR WHICH SUCH CORPORATION NO LONGER SOLICITS OR ACCEPTS NEW SUBSCRIBERS, BUT CONTINUES TO OFFER RENEWAL CONTRACTS TO EXISTING SUBSCRIBERS UNDER SUCH FORM.

S 3. This act shall take effect January 1, 2010 and shall apply to all policies issued, renewed, modified or altered on or after such date.