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

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I N A S S E M B L Y

January 21, 2010

Introduced by M. of A. BING, PAULIN, SWEENEY, JAFFEE, BENJAMIN, GALEF, REILLY, CAHILL, CASTRO -- Multi-Sponsored by -- M. of A. CHRISTENSEN, COOK, GABRYSZAK, GLICK, GOTTFRIED, GUNTHER, HYER-SPENCER, JOHN, KOON, MAGEE, M. MILLER, PHEFFER, SKARTADOS, SPANO, STIRPE -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to settlement of claims

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

Section 1. Subsection (a) of section 3224-a of the insurance law, as amended by chapter 237 of the laws of 2009, is amended to read as follows:

(a) Except in a case where the obligation of an insurer or an organization or corporation licensed or certified pursuant to article forty-three or forty-seven of this chapter or article forty-four of the public health law to pay a claim submitted by a policyholder or person covered under such policy ("covered person") or make a payment to a health care provider is not reasonably clear, or when there is a reasonable basis supported by specific information available for review by the superintendent that such claim or bill for health care services rendered was submitted fraudulently, such insurer or organization or corporation shall pay the claim to a policyholder or covered person or make a payment to a health care provider within [thirty] FIFTEEN days of receipt of a claim or bill for services rendered that is transmitted via the internet or electronic mail, or [forty-five] THIRTY days of receipt of a claim or bill for services rendered that is submitted by other means, such as paper or facsimile.

S 2. Subsection (a) of section 2406 of the insurance law, as amended by chapter 666 of the laws of 1997, is amended to read as follows:

(a) If the hearing was on a charge of a defined violation the superintendent shall make an order on his report and serve a copy of the findings and order upon the person charged with the violation and any intervenor. If the superintendent finds that the person complained of has engaged in a defined violation, the order shall require the person to cease and desist from engaging in such defined violation. Further-

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

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more, if the superintendent finds, after notice and hearing, that the person complained of has engaged in an act prohibited by section three thousand two hundred twenty-four-a of this chapter, the superintendent [is authorized to] SHALL levy a civil penalty against such person in an amount up to TWO THOUSAND five hundred dollars per day for each day beyond the date that a bill or claim was to be processed in accordance with section three thousand two hundred twenty-four-a of this chapter[, but in no event shall such penalty exceed five thousand dollars].

S 3. This act shall take effect on the ninetieth day after it shall have become a law.