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

1955

2009-2010 Regular Sessions

I N S E N A T E

February 10, 2009

Introduced by Sen. STACHOWSKI -- 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 of the renewal, modification, or cancellation of a senior citizen's health insurance policy

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

Section 1. Subsection (f) of section 3111 of the insurance law, as relettered by section 30 of part B of chapter 58 of the laws of 2004, is relettered subsection (g) and a new subsection (f) is added to read as follows:

(F) EVERY INSURER THAT HAS IN FORCE ANY POLICY OF INSURANCE SUBJECT TO THE PROVISIONS OF ARTICLE THIRTY-TWO OR FORTY-THREE OF THIS CHAPTER SHALL PERMIT SENIOR CITIZEN INSUREDS TO DESIGNATE A THIRD PARTY TO WHOM THE INSURER SHALL TRANSMIT NOTICES OF CANCELLATION, NONRENEWAL, MODIFICATION, NON-PAYMENT, AND CONDITIONAL RENEWAL. THE SENIOR CITIZEN INSURED 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 FROM THE INSURER. 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 NOTICE SHALL BE IN ADDITION TO A 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 IMMEDIATE-

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

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LY". DESIGNATION AS A THIRD PARTY SHALL NOT CONSTITUTE ACCEPTANCE OF ANY LIABILITY ON THE THIRD PARTY FOR SERVICES PROVIDED TO SUCH SENIOR CITIZEN. ON JANUARY FIRST OF EACH YEAR, THE INSURER SHALL NOTIFY ITS SENIOR CITIZEN INSUREDS 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.