

2009-2010 Regular Sessions

I N S E N A T E

(PREFILED)

January 7, 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 individual or group policies of medicare supplemental insurance

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

1 Section 1. Subparagraph (A) of paragraph 2 of subsection (e) of
2 section 3231 of the insurance law, as added by chapter 501 of the laws
3 of 1992, is amended to read as follows:

4 (A) Beginning October first, nineteen hundred ninety-four, as an
5 alternate procedure to the requirements of paragraph one of this
6 subsection, an insurer desiring to increase or decrease premiums for any
7 policy form subject to this section, WITH THE EXCEPTION OF INDIVIDUAL OR
8 GROUP POLICIES OF MEDICARE SUPPLEMENTAL INSURANCE, may instead submit a
9 rate filing or application to the superintendent and such application or
10 filing shall be deemed approved, provided that (i) the anticipated mini-
11 mum loss ratio for a policy form shall not be less than seventy-five
12 percent of the premium, and (ii) the insurer submits, as part of such
13 filing, a certification by a member of the American Academy of Actuaries
14 or other individual acceptable to the superintendent that the insurer is
15 in compliance with the provisions of this paragraph, based upon that
16 person's examination, including a review of the appropriate records and
17 of the actuarial assumptions and methods used by the insurer in estab-
18 lishing premium rates for policy forms subject to this section.

19 S 2. Paragraph 1 of subsection (g) of section 4308 of the insurance
20 law, as added by chapter 504 of the laws of 1995, is amended to read as
21 follows:

22 (1) Beginning January first, nineteen hundred ninety-six, as an alter-
23 nate procedure to the requirements of subsection (c) of this section, a
24 corporation subject to the provisions of this article desiring to

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

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1 increase or decrease premiums for any contract subject to this section,
2 EXCEPT FOR INDIVIDUAL OR GROUP POLICIES OF MEDICARE SUPPLEMENTAL INSUR-
3 ANCE, may instead submit a rate filing or application to the superinten-
4 dent and such application or filing shall be deemed approved, provided
5 that (A) the anticipated incurred loss ratio for a contract form shall
6 not be less than eighty-five percent for individual direct payment
7 contracts or seventy-five percent for small group and small group remit-
8 tance contracts, nor, except in the case of individual direct payment
9 contracts with a loss ratio of greater than one hundred five percent
10 during nineteen hundred ninety-four, shall the loss ratio for any direct
11 payment, group or group remittance contract be more than one hundred
12 five percent of the anticipated earned premium, and (B) the corporation
13 submits, as part of such filing, a certification by a member of the
14 American Academy of Actuaries or other individual acceptable to the
15 superintendent that that corporation is in compliance with the
16 provisions of this subsection, based upon that person's examination,
17 including a review of the appropriate records and of the actuarial
18 assumptions and methods used by the corporation in establishing premium
19 rates for contracts subject to this section. For purposes of this
20 section, a small group is any group whose contract is subject to the
21 requirements of section forty-three hundred seventeen of this article.
22 S 3. This act shall take effect on the first of April next succeeding
23 the date on which it shall have become a law.