

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:

1 Section 1. Paragraph 1 of subsection (b) of section 4216 of the insur-
2 ance law, as amended by chapter 369 of the laws of 1985, is amended to
3 read as follows:
4 (1) A policy issued to an employer or to a trustee or trustees of a
5 fund established by an employer, which employer or trustees shall be
6 deemed the policyholder, insuring with or without evidence of individual
7 insurability satisfactory to the insurer, employees of such employer,
8 and insuring, except as hereinafter provided, all of such employees or
9 all of any class or classes thereof determined by conditions pertaining
10 to the employment, [or by a combination of such conditions and condi-
11 tions pertaining to the family status of the employee,] for amounts of
12 insurance on each person insured based upon some plan which will
13 preclude individual selection. [However, such a plan may permit a limit-
14 ed number of selections by employees if the selections offered utilize a
15 consistent pattern of grading the amounts of insurance for individual
16 group members so that the resulting pattern of coverage is reasonable.]
17 The premium for the policy shall be paid by the policyholder, either
18 wholly from the employer's funds [or funds contributed by him] or from
19 funds contributed by the insured employees, or from funds contributed
20 jointly by the employer and employees. If all or part of the premium is
21 to be derived from funds contributed by the insured employees, such
22 policy must insure not less than [fifty percent of such eligible employ-
23 ees or, if less, fifty or more] TWO of such employees. Except as
24 provided in subsection (b) of section four thousand two hundred thirty-
25 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.

LBD09479-01-9

1 three thousand two hundred twenty of this chapter, such policy shall
2 provide for payment of all benefits thereunder, to the person insured or
3 to some beneficiary or beneficiaries other than the employer, and shall
4 provide for the issuance of a certificate to the policyholder for deliv-
5 ery to the person insured or to such beneficiary, as evidence of such
6 insurance.

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

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

34 S 3. This act shall take effect immediately.