

2314

2011-2012 Regular Sessions

I N S E N A T E

January 18, 2011

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 amended by chapter 107 of the laws
3 of 2010, is amended to read as follows:

4 (A) Until September thirtieth, two thousand ten, as an alternate
5 procedure to the requirements of paragraph one of this subsection, an
6 insurer desiring to increase or decrease premiums for any policy form
7 subject to this section, WITH THE EXCEPTION OF INDIVIDUAL OR GROUP POLI-
8 CIES OF MEDICARE SUPPLEMENTAL INSURANCE, may instead submit a rate
9 filing or application to the superintendent and such application or
10 filing shall be deemed approved, provided that: (i) the anticipated
11 minimum loss ratio for a policy form shall not be less than eighty-two
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. An
19 insurer shall not utilize the alternate procedure pursuant to this para-
20 graph to implement a change in rates to be effective on or after October
21 first, two thousand ten.

22 S 2. Paragraph 1 of subsection (g) of section 4308 of the insurance
23 law, as amended by chapter 107 of the laws of 2010, is amended to read
24 as follows:

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

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1 (1) Until September thirtieth, two thousand ten, as an alternate
2 procedure to the requirements of subsection (c) of this section, a
3 corporation subject to the provisions of this article desiring to
4 increase or decrease premiums for any contract subject to this section
5 may, EXCEPT FOR INDIVIDUAL OR GROUP POLICIES OF MEDICARE SUPPLEMENTAL
6 INSURANCE, instead submit a rate filing or application to the super-
7 intendent and such application or filing shall be deemed approved,
8 provided that (A) the anticipated incurred loss ratio for a contract
9 form shall not be less than eighty-two percent for individual direct
10 payment contracts or eighty-two percent for small group and small group
11 remittance contracts, nor, except in the case of individual direct
12 payment contracts with a loss ratio of greater than one hundred five
13 percent during nineteen hundred ninety-four, shall the loss ratio for
14 any direct payment, group or group remittance contract be more than one
15 hundred five percent of the anticipated earned premium, and (B) the
16 corporation submits, as part of such filing, a certification by a member
17 of the American Academy of Actuaries or other individual acceptable to
18 the superintendent that that corporation is in compliance with the
19 provisions of this subsection, based upon that person's examination,
20 including a review of the appropriate records and of the actuarial
21 assumptions and methods used by the corporation in establishing premium
22 rates for contracts subject to this section. A corporation shall not
23 utilize the alternate procedure pursuant to this subsection to implement
24 a change in rates to be effective on or after October first, two thou-
25 sand ten. For purposes of this section, a small group is any group whose
26 contract is subject to the requirements of section forty-three hundred
27 seventeen of this article.

28 S 3. This act shall take effect on the first of April next succeeding
29 the date on which it shall have become a law.