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

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:

Section 1. Subparagraph (A) of paragraph 2 of subsection (e) of section 3231 of the insurance law, as amended by chapter 107 of the laws of 2010, is amended to read as follows:

(A) Until September thirtieth, two thousand ten, as an alternate procedure to the requirements of paragraph one of this subsection, an insurer desiring to increase or decrease premiums for any policy form subject to this section, WITH THE EXCEPTION OF INDIVIDUAL OR GROUP POLICIES OF MEDICARE SUPPLEMENTAL INSURANCE, may instead submit a rate filing or application to the superintendent and such application or filing shall be deemed approved, provided that: (i) the anticipated minimum loss ratio for a policy form shall not be less than eighty-two percent of the premium; and (ii) the insurer submits, as part of such filing, a certification by a member of the American Academy of Actuaries or other individual acceptable to the superintendent that the insurer is in compliance with the provisions of this paragraph, based upon that person's examination, including a review of the appropriate records and of the actuarial assumptions and methods used by the insurer in establishing premium rates for policy forms subject to this section. An insurer shall not utilize the alternate procedure pursuant to this paragraph to implement a change in rates to be effective on or after October first, two thousand ten.

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

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

LBD07112-01-1

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

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