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

4172

2011-2012 Regular Sessions

I N A S S E M B L Y

February 2, 2011

Introduced by M. of A. BARCLAY, SAYWARD, CALHOUN, OAKS, FINCH -- Multi-Sponsored by -- M. of A. BURLING, CROUCH, GIGLIO, HAWLEY, McDONOUGH, RABBITT, REILICH -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to cancellation of accident and health insurance

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

Section 1. Paragraph 1 of subsection (d) of section 3216 of the insurance law is amended by adding a new subparagraph (N) to read as follows:

(N) CANCELLATION: THE INSURED MAY AT ANY TIME, UPON AT LEAST TWENTY DAYS PRIOR WRITTEN NOTICE TO THE INSURER, CANCEL THIS POLICY. SUCH WRITTEN NOTICE OF CANCELLATION SHALL BE DELIVERED TO THE INSURER OR ITS AGENT, OR MAILED TO THE INSURER OR ITS AGENT BY CERTIFIED MAIL. IN THE EVENT OF CANCELLATION, THE INSURER SHALL PROMPTLY RETURN THE UNEARNED PORTION OF ANY PREMIUM PAID, COMPUTED FROM THE EFFECTIVE DATE OF THE CANCELLATION AND BY USE OF THIS SHORT-RATE TABLE LAST FILED WITH THE STATE OFFICIAL HAVING SUPERVISION OF INSURANCE IN THE STATE IN WHICH THE INSURED RESIDED WHEN THE POLICY WAS ISSUED. PROVIDED, HOWEVER, THE PROVISIONS OF THIS SUBPARAGRAPH SHALL NOT APPLY TO ANY POLICY DURING A PREMIUM YEAR IN WHICH THE INSURER HAS PAID A CLAIM OR CLAIMS WHICH EXCEED FIFTY PERCENT OF THE PREMIUM FOR SUCH POLICY. NO CLAIM FOR LOSS INCURRED OR DISABILITY (AS DEFINED IN THE POLICY) FOR THE PERIOD PRIOR TO CANCELLATION OF THE POLICY SHALL BE VALID AFTER THE INSURED HAS RECEIVED THE UNEARNED PORTION OF ANY PREMIUM PAID, COMPUTED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBPARAGRAPH.

S 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.

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

LBD08681-01-1