

1167

2011-2012 Regular Sessions

I N S E N A T E

January 5, 2011

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law and the public health law, in relation to notification of termination of group health insurance

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

1 Section 1. Subsection (a) of section 3221 of the insurance law is  
2 amended by adding a new paragraph 17 to read as follows:  
3 (17) (A) THAT THE INSURER SHALL REQUIRE THE POLICYHOLDER TO PROVIDE IT  
4 WITH THE NAMES AND RESIDENTIAL ADDRESSES OF ALL INDIVIDUALS WHO BECAUSE  
5 OF THEIR EMPLOYEE OR MEMBERSHIP STATUS ARE CERTIFICATE HOLDERS UNDER  
6 SUCH POLICY, AND TO UPDATE SUCH INFORMATION AT LEAST ANNUALLY; AND IN  
7 THE EVENT THE INSURER TERMINATES SUCH POLICY, SHALL GIVE EACH CERTIF-  
8 ICATE HOLDER AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE OF TERMINATION OF  
9 COVERAGE, BY MAILING SUCH NOTICE TO THE LAST PROVIDED RESIDENTIAL  
10 ADDRESS FOR SUCH CERTIFICATE HOLDER; PROVIDED, HOWEVER, THAT SUCH NOTICE  
11 SHALL NOT BE REQUIRED WHERE THE POLICYHOLDER HAS: (1) PROVIDED SUCH  
12 CERTIFICATE HOLDER AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE OF THE  
13 TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE TO THE CERTIFICATE HOLD-  
14 ER'S LAST KNOWN RESIDENTIAL ADDRESS, OR, IF THE CERTIFICATE HOLDER IS  
15 REPRESENTED BY A LABOR ORGANIZATION, PROVIDED THE REPRESENTATIVE OF SUCH  
16 LABOR ORGANIZATION WITH SUCH WRITTEN NOTICE, OR (2) HAS CONTRACTED WITH  
17 ANOTHER INSURER TO PROVIDE SIMILAR COVERAGE FOR THE SAME CERTIFICATE  
18 HOLDERS, AND HAS PROVIDED CERTIFICATE HOLDERS WITH THE NAME OF THE  
19 SUBSTITUTED INSURER. NO TERMINATION OF A GROUP POLICY OR CONTRACT OF  
20 HEALTH, OR ACCIDENT AND HEALTH INSURANCE SHALL BECOME EFFECTIVE UNTIL  
21 THIRTY DAYS AFTER THE MAILING OF SUCH NOTICE OF TERMINATION CONTRACT, IF  
22 REQUIRED.  
23 (B) THE INSURER SHALL INCLUDE WITH SUCH NOTICE A COMPLETE STATEMENT OF  
24 THE RIGHTS OF THE CERTIFICATE HOLDER UNDER THE TERMINATION OF THE POLICY  
25 AS TO COVERAGE FOR ILLNESS, ACCIDENT AND TREATMENT OCCURRING PRIOR TO

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

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1 AND SUBSEQUENT TO THE TERMINATION DATE, AND SUCH OTHER RIGHTS OF CERTIF-  
2 ICATE HOLDERS AS MAY EXIST UNDER THE CONTRACT OR POLICY OR PURSUANT TO  
3 PARAGRAPH ONE OF SUBSECTION (E) OF THIS SECTION.

4 (C) UPON WRITTEN REQUEST, THE HOLDER OF THE POLICY BEING TERMINATED  
5 SHALL REIMBURSE THE INSURER FOR ALL REASONABLE AND NECESSARY COSTS ASSO-  
6 CIATED WITH PROVIDING SUCH NOTICE TO CERTIFICATE HOLDERS.

7 S 2. Section 4305 of the insurance law is amended by adding a new  
8 subsection (m) to read as follows:

9 (M) (1) A GROUP CONTRACT ISSUED PURSUANT TO THIS SECTION SHALL CONTAIN  
10 A PROVISION THAT THE INSURER SHALL REQUIRE THE GROUP CONTRACT HOLDER TO  
11 PROVIDE IT WITH THE NAMES AND RESIDENTIAL ADDRESSES OF ALL INDIVIDUALS  
12 WHO BECAUSE OF THEIR EMPLOYEE OR MEMBERSHIP STATUS ARE CERTIFICATE HOLD-  
13 ERS UNDER SUCH POLICY, AND TO UPDATE SUCH INFORMATION AT LEAST ANNUALLY;  
14 AND IN THE EVENT THE INSURER TERMINATES SUCH POLICY, SHALL GIVE EACH  
15 CERTIFICATE HOLDER AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE OF TERMI-  
16 NATION OF COVERAGE, BY MAILING SUCH NOTICE TO THE LAST PROVIDED RESIDEN-  
17 TIAL ADDRESS FOR SUCH CERTIFICATE HOLDER; PROVIDED, HOWEVER, THAT SUCH  
18 NOTICE SHALL NOT BE REQUIRED WHERE THE GROUP POLICYHOLDER HAS: (A)  
19 PROVIDED SUCH CERTIFICATE HOLDERS AT LEAST THIRTY DAYS PRIOR WRITTEN  
20 NOTICE OF THE TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE TO SUCH  
21 CERTIFICATE HOLDER'S LAST KNOWN RESIDENTIAL ADDRESS, OR, IF SUCH CERTIF-  
22 ICATE HOLDER IS REPRESENTED BY A LABOR ORGANIZATION, PROVIDED THE REPRE-  
23 SENTATIVE OF SUCH LABOR ORGANIZATION WITH SUCH WRITTEN NOTICE, OR (B)  
24 HAS CONTRACTED WITH ANOTHER INSURER TO PROVIDE SIMILAR COVERAGE FOR THE  
25 SAME CERTIFICATE HOLDERS, AND HAS PROVIDED SUCH CERTIFICATE HOLDERS WITH  
26 THE NAME OF THE SUBSTITUTED INSURER. NO TERMINATION OF A GROUP POLICY OR  
27 CONTRACT OF HEALTH, OR ACCIDENT AND HEALTH INSURANCE SHALL BECOME EFFEC-  
28 TIVE UNTIL THIRTY DAYS AFTER THE MAILING OF SUCH NOTICE OF TERMINATION  
29 CONTRACT, IF REQUIRED.

30 (2) THE INSURER SHALL INCLUDE WITH SUCH NOTICE A COMPLETE STATEMENT OF  
31 THE RIGHTS OF THE CERTIFICATE HOLDER UNDER THE TERMINATION OF THE POLICY  
32 AS TO COVERAGE FOR ILLNESS, ACCIDENT AND TREATMENT OCCURRING PRIOR TO  
33 AND SUBSEQUENT TO THE TERMINATION DATE, AND SUCH OTHER RIGHTS OF CERTIF-  
34 ICATE HOLDERS AS MAY EXIST UNDER THE CONTRACT OR POLICY OR PURSUANT TO  
35 PARAGRAPH ONE OF SUBSECTION (D) OF THIS SECTION.

36 (3) UPON WRITTEN REQUEST, THE HOLDER OF THE GROUP POLICY BEING TERMI-  
37 NATED SHALL REIMBURSE THE INSURER FOR ALL REASONABLE AND NECESSARY COSTS  
38 ASSOCIATED WITH PROVIDING SUCH NOTICE TO CERTIFICATE HOLDERS.

39 S 3. The public health law is amended by adding a new section 4407-a  
40 to read as follows:

41 S 4407-A. GROUP CONTRACTS; NOTIFICATION OF CANCELLATION REQUIREMENTS.

42 1. A HEALTH MAINTENANCE ORGANIZATION SHALL REQUIRE A POLICYHOLDER TO  
43 PROVIDE IT WITH THE NAMES AND RESIDENTIAL ADDRESSES OF ALL INDIVIDUALS  
44 WHO BECAUSE OF THEIR EMPLOYEE OR MEMBERSHIP STATUS ARE MEMBERS IN SUCH  
45 HEALTH MAINTENANCE ORGANIZATION, AND TO UPDATE SUCH INFORMATION AT LEAST  
46 ANNUALLY; AND IN THE EVENT THE HEALTH MAINTENANCE ORGANIZATION TERMI-  
47 NATES SUCH POLICY, SHALL GIVE EACH SUCH MEMBER AT LEAST THIRTY DAYS  
48 PRIOR WRITTEN NOTICE OF TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE  
49 TO THE LAST PROVIDED RESIDENTIAL ADDRESS FOR SUCH MEMBER; PROVIDED,  
50 HOWEVER, THAT SUCH NOTICE SHALL NOT BE REQUIRED WHERE THE POLICYHOLDER  
51 HAS: (A) PROVIDED SUCH MEMBER AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE  
52 OF THE TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE TO SUCH MEMBER'S  
53 LAST KNOWN RESIDENTIAL ADDRESS, OR, IF THE MEMBER IS REPRESENTED BY A  
54 LABOR ORGANIZATION, PROVIDED THE REPRESENTATIVE OF SUCH LABOR ORGANIZA-  
55 TION WITH SUCH WRITTEN NOTICE, OR (B) HAS CONTRACTED WITH ANOTHER HEALTH  
56 MAINTENANCE ORGANIZATION OR INSURER TO PROVIDE SIMILAR COVERAGE FOR THE

1 SAME MEMBERS, AND HAS PROVIDED MEMBERS WITH THE NAME OF THE SUBSTITUTED  
2 HEALTH MAINTENANCE ORGANIZATION OR INSURER. NO TERMINATION OF A GROUP  
3 POLICY OR CONTRACT OF HEALTH, OR ACCIDENT AND HEALTH INSURANCE SHALL  
4 BECOME EFFECTIVE UNTIL THIRTY DAYS AFTER THE MAILING OF SUCH NOTICE OF  
5 TERMINATION CONTRACT, IF REQUIRED.

6 2. THE HEALTH MAINTENANCE ORGANIZATION SHALL INCLUDE WITH SUCH NOTICE  
7 A COMPLETE STATEMENT OF THE RIGHTS OF THE MEMBER UNDER THE TERMINATION  
8 OF THE POLICY AS TO COVERAGE FOR ILLNESS, ACCIDENT AND TREATMENT OCCUR-  
9 RING PRIOR TO AND SUBSEQUENT TO THE TERMINATION DATE, AND SUCH OTHER  
10 RIGHTS OF MEMBERS AS MAY EXIST UNDER THE CONTRACT OR POLICY OR PURSUANT  
11 TO THIS ARTICLE AND ARTICLE FORTY-THREE OF THE INSURANCE LAW.

12 3. UPON WRITTEN REQUEST, THE HOLDER OF THE POLICY BEING TERMINATED  
13 SHALL REIMBURSE THE HEALTH MAINTENANCE ORGANIZATION FOR ALL REASONABLE  
14 AND NECESSARY COSTS ASSOCIATED WITH PROVIDING SUCH NOTICE TO MEMBERS.

15 S 4. This act shall take effect on the ninetieth day after it shall  
16 have become a law.