

1798

2011-2012 Regular Sessions

I N S E N A T E

January 12, 2011

Introduced by Sens. KLEIN, ADDABBO, DIAZ, HASSELL-THOMPSON, HUNTLEY, KRUEGER, SAMPSON, SAVINO, STAVISKY -- 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 accelerated payment of the death benefit rider under a life insurance policy

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

1 Section 1. Section 3230 of the insurance law is amended by adding a
2 new subsection (h) to read as follows:
3 (H)(1) AN INSURED WHO HOLDS AN ACCELERATED PAYMENT RIDER SHALL BE
4 ENTITLED TO AN ACCELERATED PAYMENT OF A DEATH BENEFIT IF IT IS SHOWN
5 THAT SUCH INSURED HAS MET ONE OF THE CONDITIONS STATED IN SUBPARAGRAPH
6 (C), (D) OR (E) OF PARAGRAPH ONE OF SUBSECTION (A) OF SECTION ONE THOU-
7 SAND ONE HUNDRED THIRTEEN OF THIS CHAPTER.
8 (2) THE AMOUNT OF THE BENEFIT TO WHICH THE INSURED IS ENTITLED SHALL
9 BE DETERMINED IN AN ACTUARIALLY APPROPRIATE MANNER BY CONSIDERING THE
10 LENGTH THE POLICY HAS BEEN IN EFFECT, THE AMOUNT THAT HAS BEEN PAID UPON
11 THE POLICY, THE CASH VALUE OF THE POLICY, AND THE AMOUNT OF THE DEATH
12 BENEFIT.
13 (3) THE SUPERINTENDENT SHALL ESTABLISH, THROUGH GUIDELINES, AN ACTUAR-
14 IALLY APPROPRIATE METHOD FOR CALCULATING THE AMOUNT OF BENEFIT TO WHICH
15 AN INSURED HOLDING AN ACCELERATED BENEFIT RIDER SHALL BE ENTITLED. THE
16 SUPERINTENDENT SHALL ALSO ESTABLISH A MINIMUM LENGTH OF TIME FOR WHICH
17 THE POLICY HAD TO HAVE BEEN IN EFFECT IN ORDER FOR THE POLICY HOLDER TO
18 RECEIVE A BENEFIT PURSUANT TO THIS SUBSECTION.
19 (4) IF A POLICY HOLDER HAS PAID A MINIMUM OF TWO HUNDRED FIFTY THOU-
20 SAND DOLLARS OF A DEATH BENEFIT FOR LONG-TERM CARE SERVICES, THEN ANY
21 BENEFIT RECEIVED PURSUANT TO THIS SUBSECTION SHALL NOT BE CONSIDERED AN
22 ASSET FOR PURPOSES OF MEDICAL ASSISTANCE ELIGIBILITY PURSUANT TO TITLE
23 ELEVEN OF ARTICLE FIVE OF THE SOCIAL SERVICES LAW.

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

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1 (5) EVERY INSURER PROVIDING LIFE INSURANCE IN THIS STATE SHALL OFFER A
2 RIDER ENTITLING THE INSURED TO ACCELERATED PAYMENT OF A DEATH BENEFIT
3 PURSUANT TO THIS SUBSECTION. WITHIN ONE YEAR OF THE EFFECTIVE DATE OF
4 THIS SUBSECTION, EACH INSURER SHALL OFFER EVERY INSURED OF A LIFE INSUR-
5 ANCE POLICY, IN EFFECT BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION, A
6 WRITTEN OFFERING FOR THE ACCELERATED PAYMENT OF A DEATH BENEFIT RIDER BY
7 MAIL.
8 S 2. This act shall take effect on the two hundred seventieth day
9 after it shall have become a law and shall apply to life insurance poli-
10 cies issued, altered, amended or renewed on or after such date;
11 provided, that, effective immediately, the addition, amendment and/or
12 repeal of any rule or regulation necessary for the implementation of the
13 provisions of this act on its effective date are authorized and directed
14 to be made and completed on or before such date.