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

5543

2011-2012 Regular Sessions

I N S E N A T E

June 1, 2011

Introduced by Sen. FLANAGAN -- 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 payment of commissions for funeral directing

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

Section 1. Paragraph 2 of subsection (d) of section 3208 of the insurance law, as amended by chapter 557 of the laws of 2001, is amended to read as follows:

(2) pay any such benefit or any part thereof to any funeral director or funeral directing concern or other person engaged in such trade or business or to any official or designated group of them, without the consent of the person or persons entitled to such benefits, or to pay any commission or other consideration to any funeral director or funeral directing concern or employee thereof THAT IS NOT LICENSED PURSUANT TO ARTICLE TWENTY-ONE OF THIS CHAPTER to induce such person to sell or offer to sell any contract or policy of insurance designated or marketed as payable for funeral or burial expenses upon the death of the insured; or

S 2. Paragraph (l) of subdivision 1 of section 3450 of the public health law, as amended by chapter 557 of the laws of 2001, is amended to read as follows:

(l) has paid, given, has caused to be paid or given or offered to pay or to give to any person a commission or other valuable consideration for the solicitation or procurement, either directly or indirectly, of funeral patronage, or has accepted any consideration (including without limitation a commission, rebate, or discount or direct or indirect price reduction on merchandise from the current value thereof) from any financial institution or trust company, or agent thereof, with whom the funeral director deposits funds paid for funeral services in advance of need pursuant to subdivision one of section four hundred fifty-three of

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

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the general business law, or has accepted any consideration ([including without limitation a commission or gift] EXCLUDING A COMMISSION AUTHORIZED PURSUANT TO ARTICLE TWENTY-ONE OF THE INSURANCE LAW) from any insurer or agent thereof, to sell, offer or promote the sale of any policy of insurance payable, expressly or as marketed, at the death of the insured for funeral or burial expenses;

S 3. This act shall take effect immediately; provided, however that the amendments to paragraph 2 of subsection (d) of section 3208 of the insurance law made by section one of this act and the amendments to paragraph (l) of subdivision 1 of section 3450 of the public health law made by section two of this act shall not affect the expiration of such paragraphs and shall be deemed to expire therewith.