

637

2013-2014 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 9, 2013

Introduced by M. of A. WEPRIN -- Multi-Sponsored by -- M. of A. JAFFEE,
MONTESANO, MORELLE, RIVERA, SALADINO -- read once and referred to the
Committee on Insurance

AN ACT to amend the insurance law, in relation to an extended free look
period for senior citizens purchasing individual health insurance
policies or contracts

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

1 Section 1. Paragraph 10 of subsection (c) of section 3216 of the
2 insurance law, as amended by section 31 of part B of chapter 58 of the
3 laws of 2004, is amended to read as follows:
4 (10) (A) There is prominently printed on the first page thereof or
5 there is attached thereto a notice to the effect that during a specified
6 period of time, which shall not be less than ten days nor more than
7 twenty days from the date the policy is delivered to the policyholder,
8 it may be surrendered to the insurer together with a written request for
9 cancellation of the policy and in such event the insurer will refund any
10 premium paid therefor including any policy fees or other charges[,
11 provided, however, that this paragraph shall not apply to single premium
12 nonrenewable policies insuring against accidents only or accidental
13 bodily injuries only; provided, however, that].
14 (B) NOTWITHSTANDING SUBPARAGRAPH (A) OF THIS PARAGRAPH, a [contract]
15 POLICY or certificate sold by mail order [and]; a [contract] POLICY or
16 certificate providing medicare supplemental insurance COVERING ANY
17 INSURED UNDER AGE SIXTY-FIVE ON THE EFFECTIVE DATE OF COVERAGE; or A
18 POLICY OR CERTIFICATE PROVIDING long-term care insurance [must] COVERING
19 ANY INSURED UNDER AGE SIXTY-FIVE ON THE EFFECTIVE DATE OF COVERAGE SHALL
20 contain a provision, OR SHALL HAVE ATTACHED THERETO A NOTICE, permitting
21 the [contract] POLICY or certificate holder a thirty day period for such
22 surrender AS DESCRIBED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH.
23 (C) NOTWITHSTANDING SUBPARAGRAPH (A) OF THIS PARAGRAPH, A POLICY SOLD
24 TO ANY INSURED WHO IS AGE SIXTY-FIVE OR OLDER ON THE EFFECTIVE DATE OF
25 COVERAGE SHALL HAVE PROMINENTLY PRINTED ON THE FIRST PAGE THEREOF OR

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

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1 ATTACHED THERETO A NOTICE TO THE EFFECT THAT, FOR A PERIOD OF NINETY
2 DAYS FROM THE DATE THE POLICY IS DELIVERED TO THE POLICYHOLDER, THE
3 POLICY MAY BE SURRENDERED TO THE INSURER TOGETHER WITH A WRITTEN REQUEST
4 FOR CANCELLATION OF THE POLICY; AND IN SUCH EVENT, THE INSURER WILL
5 REFUND ANY PREMIUM PAID THEREFOR INCLUDING ANY POLICY FEES OR OTHER
6 CHARGES PROVIDED THAT NO CLAIM FOR BENEFITS HAS BEEN INCURRED. THE
7 NOTICE SHALL ALSO STATE THAT, IN THE EVENT A CLAIM FOR BENEFITS HAS BEEN
8 INCURRED UNDER THE POLICY WITHIN THE TIME PERIOD FROM THE EFFECTIVE DATE
9 OF COVERAGE UNTIL NINETY DAYS FROM THE DATE THE POLICY IS DELIVERED TO
10 THE POLICYHOLDER, THE INSURER WILL REFUND ANY PREMIUM PAID THEREFOR
11 INCLUDING ANY POLICY FEES OR OTHER CHARGES LESS ANY AMOUNTS THE INSURER
12 HAS PAID ON CLAIMS FOR BENEFITS UNDER THE POLICY.

13 (D) THIS PARAGRAPH SHALL NOT APPLY TO SINGLE PREMIUM NONRENEWABLE
14 POLICIES INSURING AGAINST ACCIDENTS ONLY OR ACCIDENTAL BODILY INJURIES
15 ONLY.

16 S 2. Subsection (h) of section 4306 of the insurance law, as amended
17 by section 32 of part B of chapter 58 of the laws of 2004, is amended to
18 read as follows:

19 (h) (1) a statement on the first page of the contract or in a notice
20 attached to the contract that during a specified period of time, which
21 shall not be less than ten days nor more than twenty days from the date
22 the contract is delivered to the individual, it may be surrendered to
23 the corporation together with a written request for cancellation of the
24 contract and that in such event the corporation will refund any premium
25 paid therefor including any contract fees or other charges; [provided,
26 however, that]

27 (2) NOTWITHSTANDING PARAGRAPH ONE OF THIS SUBSECTION, a contract sold
28 by mail order [and]; a contract providing medicare supplemental insur-
29 ance COVERING ANY INDIVIDUAL UNDER AGE SIXTY-FIVE ON THE EFFECTIVE DATE
30 OF COVERAGE; or A CONTRACT PROVIDING long-term care insurance [must]
31 COVERING ANY INDIVIDUAL UNDER AGE SIXTY-FIVE ON THE EFFECTIVE DATE OF
32 COVERAGE SHALL contain a provision, OR SHALL HAVE ATTACHED THERETO A
33 NOTICE, permitting the individual a thirty day period for such surrender
34 AS DESCRIBED IN PARAGRAPH ONE OF THIS SUBSECTION;

35 (3) NOTWITHSTANDING PARAGRAPH ONE OF THIS SUBSECTION, A CONTRACT SOLD
36 TO ANY INSURED WHO IS AGE SIXTY-FIVE OR OLDER ON THE EFFECTIVE DATE OF
37 COVERAGE SHALL HAVE A STATEMENT ON THE FIRST PAGE OF THE CONTRACT OR IN
38 A NOTICE ATTACHED TO THE CONTRACT THAT, FOR A PERIOD OF NINETY DAYS FROM
39 THE DATE THE CONTRACT IS DELIVERED TO THE INDIVIDUAL, THE CONTRACT MAY
40 BE SURRENDERED TO THE CORPORATION TOGETHER WITH A WRITTEN REQUEST FOR
41 CANCELLATION OF THE CONTRACT, AND THAT, IN SUCH EVENT, THE CORPORATION
42 WILL REFUND ANY PREMIUM PAID THEREFOR INCLUDING ANY CONTRACT FEES OR
43 OTHER CHARGES PROVIDED NO CLAIM FOR BENEFITS HAS BEEN INCURRED. THE
44 STATEMENT OR NOTICE SHALL ALSO STATE THAT, IN THE EVENT A CLAIM FOR
45 BENEFITS HAS BEEN INCURRED UNDER THE CONTRACT WITHIN THE TIME PERIOD
46 FROM THE EFFECTIVE DATE OF COVERAGE UNTIL NINETY DAYS FROM THE DATE THE
47 CONTRACT IS DELIVERED TO THE INDIVIDUAL, THE CORPORATION WILL REFUND ANY
48 PREMIUM PAID THEREFOR INCLUDING ANY CONTRACT FEES OR OTHER CHARGES LESS
49 ANY AMOUNTS THE CORPORATION HAS PAID ON CLAIMS FOR BENEFITS UNDER THE
50 CONTRACT;

51 S 3. This act shall take effect on the one hundred eightieth day after
52 it shall have become a law and shall apply to all insured individuals
53 whose effective date of coverage is on or after the effective date of
54 this act.