

640

2013-2014 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 9, 2013

Introduced by M. of A. WEPRIN -- read once and referred 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 CERTIFICATE
8 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 HOLDER'S
14 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

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

LBD02917-01-3

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

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

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

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

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

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

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

42 S 4407-A. GROUP CONTRACTS; NOTIFICATION OF CANCELLATION REQUIREMENTS.
43 1. A HEALTH MAINTENANCE ORGANIZATION SHALL REQUIRE A POLICYHOLDER TO
44 PROVIDE IT WITH THE NAMES AND RESIDENTIAL ADDRESSES OF ALL INDIVIDUALS
45 WHO BECAUSE OF THEIR EMPLOYEE OR MEMBERSHIP STATUS ARE MEMBERS IN SUCH
46 HEALTH MAINTENANCE ORGANIZATION, AND TO UPDATE SUCH INFORMATION AT LEAST
47 ANNUALLY; AND IN THE EVENT THE HEALTH MAINTENANCE ORGANIZATION TERMI-
48 NATES SUCH POLICY, SHALL GIVE EACH SUCH MEMBER AT LEAST THIRTY DAYS
49 PRIOR WRITTEN NOTICE OF TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE
50 TO THE LAST PROVIDED RESIDENTIAL ADDRESS FOR SUCH MEMBER; PROVIDED,
51 HOWEVER, THAT SUCH NOTICE SHALL NOT BE REQUIRED WHERE THE POLICYHOLDER
52 HAS: (A) PROVIDED SUCH MEMBER AT LEAST THIRTY DAYS PRIOR WRITTEN NOTICE
53 OF THE TERMINATION OF COVERAGE, BY MAILING SUCH NOTICE TO SUCH MEMBER'S
54 LAST KNOWN RESIDENTIAL ADDRESS, OR, IF THE MEMBER IS REPRESENTED BY A
55 LABOR ORGANIZATION, PROVIDED THE REPRESENTATIVE OF SUCH LABOR ORGANIZA-
56 TION WITH SUCH WRITTEN NOTICE, OR (B) HAS CONTRACTED WITH ANOTHER HEALTH

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

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

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

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