

7382--A

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I N A S S E M B L Y

May 14, 2013

Introduced by M. of A. CAHILL, RAIA, BARCLAY, McDONOUGH -- Multi-Sponsored by -- M. of A. HEVESI, McDONALD, SCHIMMINGER -- read once and referred to the Committee on Insurance -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the insurance law, in relation to exceptions to the general prohibition on rebating

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

1 Section 1. Subsection (c) of section 4224 of the insurance law, as
2 amended by chapter 291 of the laws of 2012, is amended to read as
3 follows:
4 (c) Except as permitted by section three thousand two hundred thirty-
5 nine of this chapter OR SUBSECTION (F) OF THIS SECTION, no such life
6 insurance company and no such savings and insurance bank and no officer,
7 agent, solicitor or representative thereof and no such insurer doing in
8 this state the business of accident and health insurance and no officer,
9 agent, solicitor or representative thereof, and no licensed insurance
10 broker and no employee or other representative of any such insurer,
11 agent or broker, shall pay, allow or give, or offer to pay, allow or
12 give, directly or indirectly, as an inducement to any person to insure,
13 or shall give, sell or purchase, or offer to give, sell or purchase, as
14 such inducement, or interdependent with any policy of life insurance or
15 annuity contract or policy of accident and health insurance, any stocks,
16 bonds, or other securities, or any dividends or profits accruing or to
17 accrue thereon, or any valuable consideration or inducement whatever not
18 specified in such policy or contract other than any valuable consider-
19 ation, including but not limited to merchandise or periodical
20 subscriptions, not exceeding twenty-five dollars in value; nor shall any
21 person in this state knowingly receive as such inducement, any rebate of
22 premium or policy fee or any special favor or advantage in the dividends

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

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1 or other benefits to accrue on any such policy or contract, or knowingly
2 receive any paid employment or contract for services of any kind, or any
3 valuable consideration or inducement whatever which is not specified in
4 such policy or contract.

5 S 2. Section 4224 of the insurance law is amended by adding a new
6 subsection (f) to read as follows:

7 (F) (1) THIS SUBSECTION SHALL APPLY ONLY WITH RESPECT TO A GROUP OR
8 BLANKET ACCIDENT AND HEALTH INSURANCE POLICY ISSUED BY AN INSURER
9 LICENSED TO WRITE ACCIDENT AND HEALTH INSURANCE IN THIS STATE OR A GROUP
10 CONTRACT ISSUED BY A CORPORATION ORGANIZED PURSUANT TO ARTICLE
11 FORTY-THREE OF THIS CHAPTER, OR A HEALTH MAINTENANCE ORGANIZATION CERTI-
12 FIED PURSUANT TO ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW.

13 (2) NOTWITHSTANDING SUBSECTION (C) OF THIS SECTION, A LICENSED AGENT
14 OR INSURANCE BROKER MAY DEVELOP, IMPLEMENT, AND ADMINISTER WELLNESS
15 PROGRAMS ESTABLISHED IN ACCORDANCE WITH SECTION THREE THOUSAND TWO
16 HUNDRED THIRTY-NINE OF THIS CHAPTER WITHOUT CHARGING A SERVICE FEE OR,
17 IN THE CASE OF A LICENSED INSURANCE BROKER, FOR A REDUCED SERVICE FEE
18 PURSUANT TO A WRITTEN MEMORANDUM MADE IN ACCORDANCE WITH SUBSECTION (C)
19 OF SECTION TWO THOUSAND ONE HUNDRED NINETEEN OF THIS CHAPTER, IF SUCH
20 PROGRAMS ARE PROVIDED IN A FAIR AND NONDISCRIMINATORY MANNER AND INCI-
21 DENTAL TO A GROUP OR BLANKET POLICY OR CONTRACT SOLD BY THE INSURANCE
22 AGENT OR INSURANCE BROKER.

23 S 3. This act shall take effect immediately.