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

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Cal. No. 507

2013-2014 Regular Sessions

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:

Section 1. Subsection (c) of section 4224 of the insurance law, as amended by chapter 291 of the laws of 2012, is amended to read as follows:

(c) Except as permitted by section three thousand two hundred thirty-nine of this chapter OR SUBSECTION (F) OF THIS SECTION, no such life insurance company and no such savings and insurance bank and no officer, agent, solicitor or representative thereof and no such insurer doing in this state the business of accident and health insurance and no officer, agent, solicitor or representative thereof, and no licensed insurance broker and no employee or other representative of any such insurer, agent or broker, shall pay, allow or give, or offer to pay, allow or give, directly or indirectly, as an inducement to any person to insure, or shall give, sell or purchase, or offer to give, sell or purchase, as such inducement, or interdependent with any policy of life insurance or annuity contract or policy of accident and health insurance, any stocks, bonds, or other securities, or any dividends or profits accruing or to accrue thereon, or any valuable consideration or inducement whatever not specified in such policy or contract other than any valuable consideration, including but not limited to merchandise or periodical subscriptions, not exceeding twenty-five dollars in value; nor shall any person in this state knowingly receive as such inducement, any rebate of 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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or other benefits to accrue on any such policy or contract, or knowingly receive any paid employment or contract for services of any kind, or any valuable consideration or inducement whatever which is not specified in such policy or contract.

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

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

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

S 3. This act shall take effect immediately.