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

9604

I N A S S E M B L Y

May 9, 2014

Introduced by M. of A. MORELLE -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to funding for student health plans

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

Section 1. Subsection (m) of section 1124 of the insurance law, as added by chapter 246 of the laws of 2012, is amended to read as follows:

(m)(1) [No part of any] ANY funds of the institution, as they pertain to the student health plan, shall be [subject to the claims of general creditors of the institution] ACCOUNTED FOR SEPARATE AND APART FROM ALL OTHER ASSETS, LIABILITIES, INCOME AND EXPENSES OF THE INSTITUTION until all plan benefits and other plan obligations have been satisfied. Until such time, the institution shall continue to maintain and fund the reserve funds required to be established under subsection (h) of this section. If at any time the superintendent determines that additional funds shall be deposited in the reserve funds, then the institution shall make the deposit within [thirty] FIVE days of the superintendent's determination.

(2) If, after twenty-four months, or such longer period as deemed necessary by the superintendent, all plan benefits and other plan obligations have been satisfied, the institution, upon approval by the superintendent, shall no longer be required to maintain assets within the plan's reserve funds within [restricted] accounts within the institution's general accounting ledger system.

S 2. This act shall take effect immediately.

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

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