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I N   A S S E M B L Y

June 5, 2014

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Introduced by COMMITTEE ON RULES -- (at request of M. of A. Cahill) --  
read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to rating of individual  
and small group health insurance contracts and policies

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

1     Section 1. Paragraph 1 of subsection (a) of section 3231 of the insur-  
2     ance law, as amended by section 69 of part D of chapter 56 of the laws  
3     of 2013, is amended to read as follows:  
4     (1) No individual health insurance policy and no group health insur-  
5     ance policy covering between one and fifty employees or members of the  
6     group, EXCEPT AS SET FORTH IN SUBSECTION (H) OF THIS SECTION, or  
7     between one and one hundred employees or members of the group for poli-  
8     cies issued or renewed on or after January first, two thousand sixteen  
9     exclusive of spouses and dependents, hereinafter referred to as a small  
10    group, providing hospital and/or medical benefits, including medicare  
11    supplemental insurance, shall be issued in this state unless such policy  
12    is community rated and, notwithstanding any other provisions of law, the  
13    underwriting of such policy involves no more than the imposition of a  
14    pre-existing condition limitation if otherwise permitted by this arti-  
15    cle.  
16    S 2. Paragraph 1 of subsection (h) of section 3231 of the insurance  
17    law, as added by chapter 501 of the laws of 1992, is amended to read as  
18    follows:  
19    (1) Notwithstanding any other provision of this chapter, no insurer,  
20    subsidiary of an insurer, or controlled person of a holding company  
21    system may act as an administrator or claims paying agent, as opposed to  
22    an insurer, on behalf of small groups which, if they purchased insur-  
23    ance, would be subject to this section. No insurer, subsidiary of an  
24    insurer, or controlled person of a holding company may provide stop  
25    loss, catastrophic or reinsurance coverage to small groups which, if  
26    they purchased insurance, would be subject to this section. FOR PURPOSES  
27    OF THIS SUBSECTION, "SMALL GROUP" SHALL MEAN A GROUP COMPRISED OF

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

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1 BETWEEN ONE AND FIFTY EMPLOYEES OR MEMBERS, EXCLUSIVE OF SPOUSES AND  
2 DEPENDENTS.

3 S 3. Paragraph 1 of subsection (a) of section 4317 of the insurance  
4 law, as amended by section 72 of part D of chapter 56 of the laws of  
5 2013, is amended to read as follows:

6 (1) No individual health insurance contract and no group health insur-  
7 ance contract covering between one and fifty employees or members of the  
8 group, EXCEPT AS SET FORTH IN SUBSECTION (E) OF THIS SECTION, or between  
9 one and one hundred employees or members of the group for policies  
10 issued or renewed on or after January first, two thousand sixteen exclu-  
11 sive of spouses and dependents, including contracts for which the premi-  
12 ums are paid by a remitting agent for a group, hereinafter referred to  
13 as a small group, providing hospital and/or medical benefits, including  
14 Medicare supplemental insurance, shall be issued in this state unless  
15 such contract is community rated and, notwithstanding any other  
16 provisions of law, the underwriting of such contract involves no more  
17 than the imposition of a pre-existing condition limitation if otherwise  
18 permitted by this article.

19 S 4. Paragraph 1 of subsection (e) of section 4317 of the insurance  
20 law, as amended by section 72 of part D of chapter 56 of the laws of  
21 2013, is amended to read as follows:

22 (1) Notwithstanding any other provision of this chapter, no insurer,  
23 subsidiary of an insurer, or controlled person of a holding company  
24 system may act as an administrator or claims paying agent, as opposed to  
25 an insurer, on behalf of small groups which, if they purchased insur-  
26 ance, would be subject to this section. No insurer, subsidiary of an  
27 insurer, or controlled person of a holding company may provide stop  
28 loss, catastrophic or reinsurance coverage to small groups which, if  
29 they purchased insurance, would be subject to this section. FOR  
30 PURPOSES OF THIS SUBSECTION, "SMALL GROUP" SHALL MEAN A GROUP COMPRISED  
31 OF BETWEEN ONE AND FIFTY EMPLOYEES OR MEMBERS, EXCLUSIVE OF SPOUSES AND  
32 DEPENDENTS.

33 S 5. This act shall take effect immediately.