

3334

2015-2016 Regular Sessions

I N A S S E M B L Y

January 22, 2015

Introduced by M. of A. WEPRIN -- Multi-Sponsored by -- M. of A. JAFFEE,
MONTESANO, MORELLE, PERRY, RIVERA, SALADINO -- read once and referred
to the Committee on Insurance

AN ACT to amend the insurance law, in relation to an extended free look
period for senior citizens purchasing individual health insurance
policies or contracts

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

1 Section 1. Paragraph 10 of subsection (c) of section 3216 of the
2 insurance law, as amended by section 31 of part B of chapter 58 of the
3 laws of 2004, is amended to read as follows:
4 (10) (A) There is prominently printed on the first page thereof or
5 there is attached thereto a notice to the effect that during a specified
6 period of time, which shall not be less than ten days nor more than
7 twenty days from the date the policy is delivered to the policyholder,
8 it may be surrendered to the insurer together with a written request for
9 cancellation of the policy and in such event the insurer will refund any
10 premium paid therefor including any policy fees or other charges[,
11 provided, however, that this paragraph shall not apply to single premium
12 nonrenewable policies insuring against accidents only or accidental
13 bodily injuries only; provided, however, that].
14 (B) NOTWITHSTANDING SUBPARAGRAPH (A) OF THIS PARAGRAPH, a [contract]
15 POLICY or certificate sold by mail order [and]; a [contract] POLICY or
16 certificate providing medicare supplemental insurance COVERING ANY
17 INSURED UNDER AGE SIXTY-FIVE ON THE EFFECTIVE DATE OF COVERAGE; or A
18 POLICY OR CERTIFICATE PROVIDING long-term care insurance [must] COVERING
19 ANY INSURED UNDER AGE SIXTY-FIVE ON THE EFFECTIVE DATE OF COVERAGE SHALL
20 contain a provision, OR SHALL HAVE ATTACHED THERETO A NOTICE, permitting
21 the [contract] POLICY or certificate holder a thirty day period for such
22 surrender AS DESCRIBED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH.
23 (C) NOTWITHSTANDING SUBPARAGRAPH (A) OF THIS PARAGRAPH, A POLICY SOLD
24 TO ANY INSURED WHO IS AGE SIXTY-FIVE OR OLDER ON THE EFFECTIVE DATE OF
25 COVERAGE SHALL HAVE PROMINENTLY PRINTED ON THE FIRST PAGE THEREOF OR
26 ATTACHED THERETO A NOTICE TO THE EFFECT THAT, FOR A PERIOD OF NINETY

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

LBD07307-01-5

1 DAYS FROM THE DATE THE POLICY IS DELIVERED TO THE POLICYHOLDER, THE
2 POLICY MAY BE SURRENDERED TO THE INSURER TOGETHER WITH A WRITTEN REQUEST
3 FOR CANCELLATION OF THE POLICY; AND IN SUCH EVENT, THE INSURER WILL
4 REFUND ANY PREMIUM PAID THEREFOR INCLUDING ANY POLICY FEES OR OTHER
5 CHARGES PROVIDED THAT NO CLAIM FOR BENEFITS HAS BEEN INCURRED. THE
6 NOTICE SHALL ALSO STATE THAT, IN THE EVENT A CLAIM FOR BENEFITS HAS BEEN
7 INCURRED UNDER THE POLICY WITHIN THE TIME PERIOD FROM THE EFFECTIVE DATE
8 OF COVERAGE UNTIL NINETY DAYS FROM THE DATE THE POLICY IS DELIVERED TO
9 THE POLICYHOLDER, THE INSURER WILL REFUND ANY PREMIUM PAID THEREFOR
10 INCLUDING ANY POLICY FEES OR OTHER CHARGES LESS ANY AMOUNTS THE INSURER
11 HAS PAID ON CLAIMS FOR BENEFITS UNDER THE POLICY.

12 (D) THIS PARAGRAPH SHALL NOT APPLY TO SINGLE PREMIUM NONRENEWABLE
13 POLICIES INSURING AGAINST ACCIDENTS ONLY OR ACCIDENTAL BODILY INJURIES
14 ONLY.

15 S 2. Subsection (h) of section 4306 of the insurance law, as amended
16 by section 32 of part B of chapter 58 of the laws of 2004, is amended to
17 read as follows:

18 (h) (1) a statement on the first page of the contract or in a notice
19 attached to the contract that during a specified period of time, which
20 shall not be less than ten days nor more than twenty days from the date
21 the contract is delivered to the individual, it may be surrendered to
22 the corporation together with a written request for cancellation of the
23 contract and that in such event the corporation will refund any premium
24 paid therefor including any contract fees or other charges; [provided,
25 however, that]

26 (2) NOTWITHSTANDING PARAGRAPH ONE OF THIS SUBSECTION, a contract sold
27 by mail order [and]; a contract providing medicare supplemental insur-
28 ance COVERING ANY INDIVIDUAL UNDER AGE SIXTY-FIVE ON THE EFFECTIVE DATE
29 OF COVERAGE; or A CONTRACT PROVIDING long-term care insurance [must]
30 COVERING ANY INDIVIDUAL UNDER AGE SIXTY-FIVE ON THE EFFECTIVE DATE OF
31 COVERAGE SHALL contain a provision, OR SHALL HAVE ATTACHED THERETO A
32 NOTICE, permitting the individual a thirty day period for such surrender
33 AS DESCRIBED IN PARAGRAPH ONE OF THIS SUBSECTION;

34 (3) NOTWITHSTANDING PARAGRAPH ONE OF THIS SUBSECTION, A CONTRACT SOLD
35 TO ANY INSURED WHO IS AGE SIXTY-FIVE OR OLDER ON THE EFFECTIVE DATE OF
36 COVERAGE SHALL HAVE A STATEMENT ON THE FIRST PAGE OF THE CONTRACT OR IN
37 A NOTICE ATTACHED TO THE CONTRACT THAT, FOR A PERIOD OF NINETY DAYS FROM
38 THE DATE THE CONTRACT IS DELIVERED TO THE INDIVIDUAL, THE CONTRACT MAY
39 BE SURRENDERED TO THE CORPORATION TOGETHER WITH A WRITTEN REQUEST FOR
40 CANCELLATION OF THE CONTRACT, AND THAT, IN SUCH EVENT, THE CORPORATION
41 WILL REFUND ANY PREMIUM PAID THEREFOR INCLUDING ANY CONTRACT FEES OR
42 OTHER CHARGES PROVIDED NO CLAIM FOR BENEFITS HAS BEEN INCURRED. THE
43 STATEMENT OR NOTICE SHALL ALSO STATE THAT, IN THE EVENT A CLAIM FOR
44 BENEFITS HAS BEEN INCURRED UNDER THE CONTRACT WITHIN THE TIME PERIOD
45 FROM THE EFFECTIVE DATE OF COVERAGE UNTIL NINETY DAYS FROM THE DATE THE
46 CONTRACT IS DELIVERED TO THE INDIVIDUAL, THE CORPORATION WILL REFUND ANY
47 PREMIUM PAID THEREFOR INCLUDING ANY CONTRACT FEES OR OTHER CHARGES LESS
48 ANY AMOUNTS THE CORPORATION HAS PAID ON CLAIMS FOR BENEFITS UNDER THE
49 CONTRACT;

50 S 3. This act shall take effect on the one hundred eightieth day after
51 it shall have become a law and shall apply to all insured individuals
52 whose effective date of coverage is on or after the effective date of
53 this act.