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

9140--A

I N A S S E M B L Y

January 29, 2016

Introduced by M. of A. SIMANOWITZ -- read once and referred to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to providing for benefit reduction plans

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

Section 1. Section 1117 of the insurance law is amended by adding a new subsection (c-1) to read as follows:

(C-1) IF A RATE INCREASE WOULD RESULT IN A TWENTY PERCENT OR MORE CUMULATIVE AGGREGATE INCREASE OVER THE ORIGINAL ISSUED PREMIUM RATE, AN INSURER SHALL, AT THE SAME TIME, OFFER AN INSURED THE OPTION OF A CONTINGENT NON-FORFEITURE AGREEMENT. AN INSURED SHALL AT SUCH TIME BE NOTIFIED OF THE SPECIFIC STRUCTURE OF THE CONTINGENT NON-FORFEITURE AGREEMENT. AN INSURED SHALL BE NOTIFIED OF THE OPTION CONTINGENT NON-FORFEITURE AGREEMENT, UNDER THE CONDITIONS PROVIDED FOR BY THIS SUBSECTION, PRIOR TO THE EXECUTION OF A POLICY OR CERTIFICATE.

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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