

2366

2015-2016 Regular Sessions

I N S E N A T E

January 22, 2015

Introduced by Sen. SEWARD -- read twice and ordered printed, and when printed to be committed 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 between
7 one and one hundred employees or members of the group for policies
8 issued or renewed on or after January first, two thousand sixteen exclu-
9 sive 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

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

LBD06335-01-5

1 they purchased insurance, would be subject to this section. FOR PURPOSES
2 OF THIS SUBSECTION, "SMALL GROUP" SHALL MEAN A GROUP COMPRISED OF
3 BETWEEN ONE AND FIFTY EMPLOYEES OR MEMBERS, EXCLUSIVE OF SPOUSES AND
4 DEPENDENTS.

5 S 3. Paragraph 1 of subsection (a) of section 4317 of the insurance
6 law, as amended by section 72 of part D of chapter 56 of the laws of
7 2013, is amended to read as follows:

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

21 S 4. Paragraph 1 of subsection (e) of section 4317 of the insurance
22 law, as amended by section 72 of part D of chapter 56 of the laws of
23 2013, is amended to read as follows:

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

35 S 5. This act shall take effect immediately.