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

5250--A

Cal. No. 620

2015-2016 Regular Sessions

I N S E N A T E

May 11, 2015

Introduced by Sens. SEWARD, GALLIVAN -- read twice and ordered printed, and when printed to be committed to the Committee on Labor -- recommitted to the Committee on Labor in accordance with Senate Rule 6, sec. 8 -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the workers' compensation law, in relation to the requirement for policyholders to provide 30-days notice to withdraw from the state insurance fund

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

Section 1. Subdivision a of section 94 of the workers' compensation law, as amended by chapter 635 of the laws of 1996, is amended to read as follows:

a. Any employer may, upon complying with subdivision two or three of section fifty of this chapter, withdraw from the fund by turning in his insurance contract for cancellation, provided he has given written notice to the fund of his intention to withdraw not less than thirty days before the effective date of such cancellation. Upon receipt of such notice the fund shall, at least ten days prior to the effective date file in the office of the chairman a notice of such cancellation date. *IN THE EVENT THAT AN EMPLOYER INTENDS TO WITHDRAW FROM THE FUND AND HAS SECURED INSURANCE WITH ANOTHER INSURANCE CARRIER, THE EMPLOYER SHALL PROVIDE WRITTEN NOTICE TO THE FUND WHICH SHALL INCLUDE THEIR INTENTION TO WITHDRAW, DEMONSTRATION THAT THE EMPLOYER HAS SECURED A NEW INSURANCE POLICY AND THE EFFECTIVE DATE OF CANCELLATION WHICH SHALL BE THE DATE OF WHEN SUCH OTHER COVERAGE BECOMES EFFECTIVE.*

[In no event shall the insurance contract be deemed cancelled until at least ten days after the date of such filing, any earlier date mentioned in the notice to the contrary notwithstanding.]

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

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If an employer withdraws from the fund upon complying with subdivision two of section fifty of this chapter, the new insurance contract with the stock corporation, mutual corporation or reciprocal insurer shall be deemed not to take effect until the cancellation of such employer's contract with the state insurance fund has become effective.

S 2. This act shall take effect on the ninetieth day after it shall have become a law.