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

7661

I N S E N A T E

May 12, 2016

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 prohibitions on rebating and discrimination

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

Section 1. Section 2324 of the insurance law is amended by adding a new subsection (g) to read as follows:

(G) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION, ANY SERVICES PROVIDED, OR OFFERED TO BE PROVIDED, BY AN AUTHORIZED INSURER, LICENSED INSURANCE AGENT, LICENSED INSURANCE BROKER OR AN EMPLOYEE OR OTHER REPRESENTATIVE OF ANY SUCH AUTHORIZED INSURER, LICENSED INSURANCE AGENT OR LICENSED INSURANCE BROKER; PROVIDED THAT SUCH SERVICES ARE OFFERED OR DELIVERED AS PART OF THE SALE OR RENEWAL OF AN INSURANCE POLICY, CONTRACT OR GROUP INSURANCE POLICY AND OFFERED OR DELIVERED IN A NON-DISCRIMINATORY MANNER TO ALL SIMILARLY SITUATED INSUREDS OR POTENTIAL INSUREDS, WHETHER OR NOT SUCH SERVICES ARE SPECIFIED IN SUCH POLICY OR CONTRACT; SHALL NOT BE CONSIDERED TO BE AN INDUCEMENT OR REBATE PROHIBITED BY THIS SECTION UNLESS THE SUPERINTENDENT DETERMINES, AFTER A NOTICE AND HEARING, THAT THE OFFER AND SALE OF SUCH SERVICES CONSTITUTED THE SOLE REASON FOR THE PURCHASE OF SUCH INSURANCE POLICY, CONTRACT OR GROUP INSURANCE POLICY AND THAT, BUT FOR THE OFFER OR DELIVERY OR SUCH SERVICE, THE PURCHASE OF SUCH POLICY OR CONTRACT WOULD NOT HAVE TAKEN PLACE.

S 2. Subsection (c) of section 4224 of the insurance law, as amended by chapter 496 of the laws of 2013, is amended to read as follows:

(c) (1) Except as permitted by section three thousand two hundred thirty-nine of this chapter or subsection (f) of this section, no such life insurance company and no such savings and insurance bank and no officer, agent, solicitor or representative thereof and no such insurer doing in this state the business of accident and health insurance and no officer, agent, solicitor or representative thereof, and no licensed insurance broker and no employee or other representative of any such insurer, agent or broker, shall pay, allow or give, or offer to pay,

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

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allow or give, directly or indirectly, as an inducement to any person to insure, or shall give, sell or purchase, or offer to give, sell or purchase, as such inducement, or interdependent with any policy of life insurance or annuity contract or policy of accident and health insurance, any stocks, bonds, or other securities, or any dividends or profits accruing or to accrue thereon, or any valuable consideration or inducement whatever not specified in such policy or contract other than any valuable consideration, including but not limited to merchandise or periodical subscriptions, not exceeding twenty-five dollars in value; nor shall any person in this state knowingly receive as such inducement, any rebate of premium or policy fee or any special favor or advantage in the dividends or other benefits to accrue on any such policy or contract, or knowingly receive any paid employment or contract for services of any kind, or any valuable consideration or inducement whatever which is not specified in such policy or contract.

(2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH ONE OF THIS SUBSECTION, ANY SERVICES PROVIDED, OR OFFERED TO BE PROVIDED, BY A LIFE INSURANCE COMPANY OR ANY OFFICER, AGENT, SOLICITOR OR REPRESENTATIVE THEREOF, BY AN INSURER DOING IN THIS STATE THE BUSINESS OF ACCIDENT AND HEALTH INSURANCE OR AN OFFICER, AGENT, SOLICITOR OR REPRESENTATIVE THEREOF, OR BY A LICENSED INSURANCE BROKER, AN EMPLOYEE OR OTHER REPRESENTATIVE OF ANY SUCH, INSURER, AGENT OR BROKER; PROVIDED THAT SUCH SERVICES ARE OFFERED OR DELIVERED AS PART OF THE SALE OR RENEWAL OF AN INSURANCE POLICY, CONTRACT OR GROUP INSURANCE POLICY AND OFFERED OR DELIVERED IN A NON-DISCRIMINATORY MANNER TO ALL SIMILARLY SITUATED INSUREDS OR POTENTIAL INSUREDS, WHETHER OR NOT SUCH SERVICES ARE SPECIFIED IN SUCH POLICY OR CONTRACT, SHALL NOT BE CONSIDERED TO BE AN INDUCEMENT OR REBATE PROHIBITED BY THIS SECTION UNLESS THE SUPERINTENDENT DETERMINES, AFTER A NOTICE AND HEARING, THAT THE OFFER AND SALE OF SUCH SERVICES CONSTITUTED THE SOLE REASON FOR THE PURCHASE OF SUCH INSURANCE POLICY, CONTRACT OR GROUP INSURANCE POLICY AND THAT, BUT FOR THE OFFER OR DELIVERY OF SUCH SERVICE, THE PURCHASE OF SUCH POLICY OR CONTRACT WOULD NOT HAVE TAKEN PLACE.

S 3. This act shall take effect on the sixtieth day after it shall have become a law.