

2268

2015-2016 Regular Sessions

I N S E N A T E

January 22, 2015

Introduced by Sen. GOLDEN -- 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 the designation of third parties to receive notification of cancellation

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

1 Section 1. Paragraph 6 of subsection (b) of section 1117 of the insurance law, as added by chapter 572 of the laws of 2008, is amended to
2 read as follows:
3
4 (6) prior to the earlier of the execution of a policy or certificate
5 in connection with a plan providing a home care benefit and/or a nursing
6 home benefit, or the payment of any premium or fee related to such a
7 policy or certificate, the authorized insurer, corporation, health maintenance organization or fraternal benefit society shall provide the
8 prospective insured or his or her representative with a disclosure
9 statement, which contains the following:
10
11 (A) The maximum daily and lifetime benefit levels, if applicable,
12 provided by the policy or certificate for home care services and nursing
13 home services;
14 (B) The percentage of coverage provided for home care services and
15 nursing home services, if applicable, and an explanation of the methodology on which the reasonable charge used in conjunction with such
16 percentage amount is based;
17
18 (C) A description of any inflation protection feature included in or
19 available for purchase under the policy or certificate and the additional premium required to purchase such option or options;
20
21 (D) (i) If available and accessible by the insurer or other entity
22 from the department of health, the most recently-published average,
23 statewide rate for care in a nursing home, as well as the average rates
24 for care in nursing homes for both the New York city-metropolitan and
25 upstate regions of the state; or

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

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1 (ii) If available and accessible by the insurer or other entity from
2 the department of health, the most recently-published map of the esti-
3 mated average regional rates in New York state for nursing home care;
4 [and]

5 (E) A graphic demonstration of the maximum daily nursing home benefit
6 level provided by the policy or certificate, and the impact that the
7 selection of any inflation protection options would have on such maximum
8 daily nursing home benefit level[.]; AND

9 (F) THE RIGHT OF THE PROSPECTIVE INSURED, UPON ATTAINING THE AGE OF
10 SIXTY-FIVE YEARS, TO DESIGNATE A THIRD PARTY WHO WILL RECEIVE A COPY OF
11 ANY NOTICES OF NONPAYMENT OF PREMIUMS DUE OR NOTICE OF CANCELLATION FOR
12 NONPAYMENT OF PREMIUMS THAT IS SENT TO THE PROSPECTIVE INSURED.

13 For the purpose of this paragraph, "home care services" shall have the
14 same meaning as defined in subdivision one of section thirty-six hundred
15 two of the public health law. The prospective insured, or his or her
16 representative, shall acknowledge that the required disclosure has been
17 made by signing the disclosure statement prior to or contemporaneously
18 with the effective date of the policy or certificate.

19 Failure to provide information required by subparagraph (D) of this
20 paragraph shall not be construed as a violation of this section if such
21 information has not been made available by the department of health.

22 S 2. Subsection (e) of section 3111 of the insurance law, as added by
23 section 30 of part B of chapter 58 of the laws of 2004, is amended to
24 read as follows:

25 (e) Every insurer that has in force a long-term care insurance policy
26 as defined in section one thousand one hundred seventeen of this chapter
27 the premiums for which are paid directly to the insurer by the senior
28 citizen insured, except a policy that qualifies as a long-term care
29 insurance contract as defined in Section 7702B of the Internal Revenue
30 Code, shall permit senior citizen insureds to designate a third party to
31 whom the insurer shall transmit notices of nonpayment of premiums due or
32 notice of cancellation for nonpayment of premiums[, as determined by the
33 insurer]; PROVIDED THAT NOTICE OF CANCELLATION FOR NONPAYMENT OF PREMIUM
34 SHALL BE SENT NO LATER THAN THIRTY DAYS BEFORE THE EFFECTIVE DATE OF
35 SUCH CANCELLATION. The senior [citizens] CITIZEN INSURED shall notify
36 the insurer that a third party has been so designated. Such notification
37 shall be delivered to the insurer EITHER IN THE SAME ENVELOPE AS THE
38 SENIOR CITIZEN INSURED'S PREMIUM PAYMENT OR by certified mail, return
39 receipt requested, and shall be effective not later than ten business
40 days from the date of receipt by the insurer. The notification must
41 contain, in writing, an acceptance by the third party designee to
42 receive such notices of cancellation. Should the third party designee
43 desire to terminate his or her status as a third party designee, such
44 designee shall provide written notice to both the insurer and the senior
45 citizen insured. Should the senior citizen insured desire to terminate
46 the third party designation, the insured shall provide written notice to
47 the insurer. The transmission to the third party designee of any such
48 notice of cancellation shall be in addition to a copy of such document
49 transmitted to the senior citizen insured and when a third party is so
50 designated all such notices shall be mailed in an envelope clearly
51 marked on its face with the following: "IMPORTANT INSURANCE POLICY
52 INFORMATION: OPEN IMMEDIATELY". Designation as a third party shall not
53 constitute acceptance of any liability on the third party for services
54 provided to such senior citizen. The insurer shall notify its senior
55 citizen insureds NOT LESS THAN annually in writing of the availability
56 of the third party designee notice procedure and provide information on

1 how the insured can commence this procedure[; however, such notice need
2 not be provided once a senior citizen has made a designation]. IF A
3 SENIOR CITIZEN INSURED HAS NOT MADE A THIRD PARTY DESIGNATION, THE
4 INSURER SHALL INCLUDE A COPY OF THE THIRD PARTY DESIGNATION FORM WITH
5 EACH PREMIUM STATEMENT SENT TO THE SENIOR CITIZEN INSURED. IF A SENIOR
6 CITIZEN INSURED HAS MADE A DESIGNATION, THE INSURER SHALL CONFIRM WITH
7 THE SENIOR CITIZEN INSURED THAT THE THIRD PARTY DESIGNEE'S CONTACT
8 INFORMATION IS CORRECT. UPON RECEIPT OF A DESIGNATION OR TERMINATION OF
9 A DESIGNATION, THE INSURER SHALL VERIFY THE DESIGNATION OR CANCELLATION
10 OF DESIGNATION WITH THE SENIOR CITIZEN INSURED. SUCH VERIFICATION MAY,
11 BUT IS NOT REQUIRED TO BE, WRITTEN AND THE INSURER MAY USE TELEPHONY TO
12 OBTAIN AN ORAL CONFIRMATION FROM THE SENIOR CITIZEN INSURED SO LONG AS
13 THE INSURER PROVIDES THE SENIOR CITIZEN INSURED WITH WRITTEN CONFIRMA-
14 TION OF THE ORAL VERIFICATION.

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