STATE OF NEW YORK

5428

2017-2018 Regular Sessions

IN ASSEMBLY

February 9, 2017

Introduced by M. of A. WEPRIN -- Multi-Sponsored by -- M. of A. JAFFEE, MONTESANO, MORELLE, PERRY, RIVERA -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to an extended free look period for senior citizens purchasing individual health insurance policies or contracts

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Paragraph 10 of subsection (c) of section 3216 of the insurance law, as amended by section 31 of part B of chapter 58 of the laws of 2004, is amended to read as follows:

(10) (A) There is prominently printed on the first page thereof or there is attached thereto a notice to the effect that during a specified period of time, which shall not be less than ten days nor more than twenty days from the date the policy is delivered to the policyholder, it may be surrendered to the insurer together with a written request for cancellation of the policy and in such event the insurer will refund any premium paid therefor including any policy fees or other charges[~~, provided, however, that this paragraph shall not apply to single premium nonrenewable policies insuring against accidents only or accidental bodily injuries only; provided, however, that~~].

(B) Notwithstanding subparagraph (A) of this paragraph, a [~~contract~~] policy or certificate sold by mail order [~~and~~]; a [~~contract~~] policy or certificate providing medicare supplemental insurance covering any insured under age sixty-five on the effective date of coverage; or a policy or certificate providing long-term care insurance [~~must~~] covering any insured under age sixty-five on the effective date of coverage shall contain a provision, or shall have attached thereto a notice, permitting the [~~contract~~] policy or certificate holder a thirty day period for such surrender as described in subparagraph (A) of this paragraph.

(C) Notwithstanding subparagraph (A) of this paragraph, a policy sold to any insured who is age sixty-five or older on the effective date of coverage shall have prominently printed on the first page thereof or attached thereto a notice to the effect that, for a period of ninety

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

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days from the date the policy is delivered to the policyholder, the policy may be surrendered to the insurer together with a written request for cancellation of the policy; and in such event, the insurer will refund any premium paid therefor including any policy fees or other charges provided that no claim for benefits has been incurred. The notice shall also state that, in the event a claim for benefits has been incurred under the policy within the time period from the effective date of coverage until ninety days from the date the policy is delivered to the policyholder, the insurer will refund any premium paid therefor including any policy fees or other charges less any amounts the insurer has paid on claims for benefits under the policy.

(D) This paragraph shall not apply to single premium nonrenewable policies insuring against accidents only or accidental bodily injuries only.

§ 2. Subsection (h) of section 4306 of the insurance law, as amended by section 32 of part B of chapter 58 of the laws of 2004, is amended to read as follows:

(h) (1) a statement on the first page of the contract or in a notice attached to the contract that during a specified period of time, which shall not be less than ten days nor more than twenty days from the date the contract is delivered to the individual, it may be surrendered to the corporation together with a written request for cancellation of the contract and that in such event the corporation will refund any premium paid therefor including any contract fees or other charges; [~~provided, however, that~~]

(2) notwithstanding paragraph one of this subsection, a contract sold by mail order [~~and~~]; a contract providing medicare supplemental insurance covering any individual under age sixty-five on the effective date of coverage; or a contract providing long-term care insurance [~~must~~] covering any individual under age sixty-five on the effective date of coverage shall contain a provision, or shall have attached thereto a notice, permitting the individual a thirty day period for such surrender as described in paragraph one of this subsection;

(3) notwithstanding paragraph one of this subsection, a contract sold to any insured who is age sixty-five or older on the effective date of coverage shall have a statement on the first page of the contract or in a notice attached to the contract that, for a period of ninety days from the date the contract is delivered to the individual, the contract may be surrendered to the corporation together with a written request for cancellation of the contract, and that, in such event, the corporation will refund any premium paid therefor including any contract fees or other charges provided no claim for benefits has been incurred. The statement or notice shall also state that, in the event a claim for benefits has been incurred under the contract within the time period from the effective date of coverage until ninety days from the date the contract is delivered to the individual, the corporation will refund any premium paid therefor including any contract fees or other charges less any amounts the corporation has paid on claims for benefits under the contract;

§ 3. This act shall take effect on the one hundred eightieth day after it shall have become a law and shall apply to all insured individuals whose effective date of coverage is on or after the effective date of this act.