STATE OF NEW YORK

8932

IN ASSEMBLY

January 8, 2018

Introduced by M. of A. HEVESI -- read once and referred to the Committee on Labor

AN ACT to amend the workers' compensation law, in relation to conditional renewal notices to policyholders

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

Section 1. Paragraph (b) of subdivision 5 of section 54 of the workers' compensation law, as added by chapter 469 of the laws of 2017, is amended to read as follows:

(b) Conditional renewal **for carriers under common control**. A contract of insurance shall remain in full force and effect subject to the same [~~terms and conditions, loss cost multipliers and classification of the employer with regard to the payment of dividends, pursuant to sections four thousand one hundred six and four thousand one hundred fourteen of the insurance law~~] **rates as the expiring contract of insurance rates**, unless written notice is mailed or delivered by the insurance carrier to the employer, at the address shown on the policy, and to such employer's authorized agent or broker, indicating the insurance carrier's intention to condition renewal upon issuance of a policy that supersedes a policy previously issued by another insurance carrier under common control that will result in an increased premium in excess of ten percent (exclusive of any premium increase generated as a result of increased loss costs filed and approved in accordance with subsection (e) of section two thousand three hundred five of the insurance law, increased exposure units, or as a result of experience rating, contractor credit adjustment program, [~~drug free credit, merit rating, managed care credit, large deductible, retrospective rating or audit~~] **merit rating, retrospective rating or audit or removal or reduction of a drug free credit, managed care credit, or deductible**. Such notice shall be mailed or delivered at least thirty days in advance of the expiration date of the policy, and shall set forth the amount of the premium increase (or, where such amount cannot reasonably be determined as of the time the notice is provided **due to failure of the policyholder to provide to the insurance carrier the information necessary to determine the premium**, a reasonable

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

LBD02654-04-7

estimate of the premium increase based upon the information available to the insurance carrier at that time). Nothing in this subdivision [~~will~~] **shall** require the insurance carrier to provide such notice when the employer, an agent or broker authorized by the employer, or another insurance carrier of the employer has mailed or delivered written notice that the policy has been replaced or is no longer desired.

§ 2. This act shall take effect on the same date and in the same manner as chapter 469 of the laws of 2017 takes effect.