

STATE OF NEW YORK

99

2017-2018 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 4, 2017

Introduced by M. of A. CAHILL, GARBARINO, STIRPE, HEVESI, MAGNARELLI, ZEBROWSKI, STECK, QUART, LUPINACCI, RAIA, BRINDISI, OAKS, FRIEND -- Multi-Sponsored by -- M. of A. FITZPATRICK, KEARNS, STEC -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to rating of individual and small group health insurance contracts and policies

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

1 Section 1. Paragraph 1 of subsection (a) of section 3231 of the insurance law, as amended by section 69 of part D of chapter 56 of the laws of 2013, is amended to read as follows:

2 (1) No individual health insurance policy and no group health insurance policy covering between one and fifty employees or members of the group, except as set forth in subsection (h) of this section, or between 3 one and one hundred employees or members of the group for policies 4 issued or renewed on or after January first, two thousand sixteen exclusive of spouses and dependents, hereinafter referred to as a small 5 group, providing hospital and/or medical benefits, including medicare 6 supplemental insurance, shall be issued in this state unless such policy 7 is community rated and, notwithstanding any other provisions of law, the 8 underwriting of such policy involves no more than the imposition of a 9 pre-existing condition limitation if otherwise permitted by this article. 10

11 § 2. Paragraph 1 of subsection (h) of section 3231 of the insurance law, as added by chapter 12 of the laws of 2016, is amended to read as 12 follows: 13

14 (1) Notwithstanding any other provision of this chapter, no insurer, 15 subsidiary of an insurer, or controlled person of a holding company 16 system may act as an administrator or claims paying agent, as opposed to 17 an insurer, on behalf of small groups which, if they purchased insurance 18

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

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1 ance, would be subject to this section. No insurer may provide stop
2 loss, catastrophic or reinsurance coverage to small groups which, if
3 they purchased insurance, would be subject to this section. Provided,
4 however, the provisions of this paragraph shall not apply to: (A) the
5 renewal of stop loss, catastrophic or reinsurance coverage issued and in
6 effect on January first, two thousand fifteen to small groups covering
7 between fifty-one and one hundred employees or members of the group; and
8 (B) the issuance between January first, two thousand sixteen and Decem-
9 ber thirty-first, two thousand sixteen, of stop loss, catastrophic or
10 reinsurance coverage, and any renewal thereof, to a small group covering
11 between fifty-one and one hundred employees or members of the group,
12 provided that such group had stop loss, catastrophic or reinsurance
13 coverage issued and in effect on January first, two thousand fifteen.

14 For purposes of this subsection, "small group" shall mean a group
15 comprised of between one and fifty employees or members, exclusive of
16 spouses and dependents.

17 § 3. Paragraph 1 of subsection (a) of section 4317 of the insurance
18 law, as amended by section 72 of part D of chapter 56 of the laws of
19 2013, is amended to read as follows:

20 (1) No individual health insurance contract and no group health insur-
21 ance contract covering between one and fifty employees or members of the
22 group, except as set forth in subsection (e) of this section, or between
23 one and one hundred employees or members of the group for policies
24 issued or renewed on or after January first, two thousand sixteen exclu-
25 sive of spouses and dependents, including contracts for which the premi-
26 ums are paid by a remitting agent for a group, hereinafter referred to
27 as a small group, providing hospital and/or medical benefits, including
28 Medicare supplemental insurance, shall be issued in this state unless
29 such contract is community rated and, notwithstanding any other
30 provisions of law, the underwriting of such contract involves no more
31 than the imposition of a pre-existing condition limitation if otherwise
32 permitted by this article.

33 § 4. Paragraph 1 of subsection (e) of section 4317 of the insurance
34 law, as amended by chapter 12 of the laws of 2016, is amended to read as
35 follows:

36 (1) Notwithstanding any other provision of this chapter, no insurer,
37 subsidiary of an insurer, or controlled person of a holding company
38 system may act as an administrator or claims paying agent, as opposed to
39 an insurer, on behalf of small groups which, if they purchased insur-
40 ance, would be subject to this section. No insurer may provide stop
41 loss, catastrophic or reinsurance coverage to small groups which, if
42 they purchased insurance, would be subject to this section. Provided,
43 however, the provisions of this paragraph shall not apply to: (A) the
44 renewal of stop loss, catastrophic or reinsurance coverage issued and in
45 effect on January first, two thousand fifteen to small groups covering
46 between fifty-one and one hundred employees or members of the group; and
47 (B) the issuance between January first, two thousand sixteen, and Decem-
48 ber thirty-first, two thousand sixteen, of stop loss, catastrophic or
49 reinsurance coverage, and any renewal thereof, to a small group covering
50 between fifty-one and one hundred employees or members of the group,
51 provided that such group had stop loss, catastrophic or reinsurance
52 coverage issued and in effect on January first, two thousand fifteen.

53 For purposes of this subsection, "small group" shall mean a group
54 comprised of between one and fifty employees or members, exclusive of
55 spouses and dependents.

1 § 5. This act shall take effect immediately; provided, however the
2 amendments to paragraph (1) of subsection (h) of section 3231 of the
3 insurance law made by section two of this act shall not affect the expi-
4 ration of such paragraph and shall be deemed to expire therewith; and
5 provided, further, the amendments to paragraph (1) of subsection (e) of
6 section 4317 of the insurance law made by section four of this act shall
7 not affect the expiration of such paragraph and shall be deemed to
8 expire therewith.