

# STATE OF NEW YORK

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99--A

2017-2018 Regular Sessions

## IN ASSEMBLY

(Prefiled)

January 4, 2017

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Introduced by M. of A. CAHILL, GARBARINO, STIRPE, HEVESI, MAGNARELLI, ZEBROWSKI, STECK, QUART, RAIA, BRINDISI, OAKS, FRIEND, KOLB -- Multi-Sponsored by -- M. of A. FITZPATRICK, STEC -- read once and referred to the Committee on Insurance -- recommitted to the Committee on Insurance in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

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3  
4 (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 5 one and one hundred employees or members of the group for policies 6 issued or renewed on or after January first, two thousand sixteen exclusive of spouses and dependents, hereinafter referred to as a small 7 group, providing hospital and/or medical benefits, including medicare 8 supplemental insurance, shall be issued in this state unless such policy 9 is community rated and, notwithstanding any other provisions of law, the 10 underwriting of such policy involves no more than the imposition of a 11 pre-existing condition limitation if otherwise permitted by this article. 12  
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16 § 2. Paragraph 1 of subsection (h) of section 3231 of the insurance law, as amended by chapter 12 of the laws of 2016, is amended to read as 17 follows: 18

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

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(1) Notwithstanding any other provision of this chapter, no insurer, subsidiary of an insurer, or controlled person of a holding company system may act as an administrator or claims paying agent, as opposed to an insurer, on behalf of small groups which, if they purchased insurance, would be subject to this section. No insurer may provide stop loss, catastrophic or reinsurance coverage to small groups which, if they purchased insurance, would be subject to this section. Provided, however, the provisions of this paragraph shall not apply to: (A) the renewal of stop loss, catastrophic or reinsurance coverage issued and in effect on January first, two thousand fifteen to small groups covering between fifty-one and one hundred employees or members of the group; and (B) the issuance between January first, two thousand sixteen and December thirty-first, two thousand sixteen, of stop loss, catastrophic or reinsurance coverage, and any renewal thereof, to a small group covering between fifty-one and one hundred employees or members of the group, provided that such group had stop loss, catastrophic or reinsurance coverage issued and in effect on January first, two thousand fifteen. For purposes of this subsection, "small group" shall mean a group comprised of between one and fifty employees or members, exclusive of spouses and dependents.

§ 3. Paragraph 1 of subsection (h) of section 3231 of the insurance law, as added by chapter 501 of the laws of 1992, is amended to read as follows:

(1) Notwithstanding any other provision of this chapter, no insurer, subsidiary of an insurer, or controlled person of a holding company system may act as an administrator or claims paying agent, as opposed to an insurer, on behalf of small groups which, if they purchased insurance, would be subject to this section. No insurer, subsidiary of an insurer, or controlled person of a holding company may provide stop loss, catastrophic or reinsurance coverage to small groups which, if they purchased insurance, would be subject to this section. For purposes of this subsection, "small group" shall mean a group comprised of between one and fifty employees or members, exclusive of spouses and dependents.

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

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

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

(1) Notwithstanding any other provision of this chapter, no insurer, subsidiary of an insurer, or controlled person of a holding company system may act as an administrator or claims paying agent, as opposed to

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

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

18 § 6. Paragraph 1 of subsection (e) of section 4317 of the insurance  
19 law, as amended by section 72 of part D of chapter 56 of the laws of  
20 2013, is amended to read as follows:

21 (1) Notwithstanding any other provision of this chapter, no insurer,  
22 subsidiary of an insurer, or controlled person of a holding company  
23 system may act as an administrator or claims paying agent, as opposed to  
24 an insurer, on behalf of small groups which, if they purchased insur-  
25 ance, would be subject to this section. No insurer, subsidiary of an  
26 insurer, or controlled person of a holding company may provide stop  
27 loss, catastrophic or reinsurance coverage to small groups which, if  
28 they purchased insurance, would be subject to this section. For  
29 purposes of this subsection, "small group" shall mean a group comprised  
30 of between one and fifty employees or members, exclusive of spouses and  
31 dependents.

32 § 7. This act shall take effect immediately; provided, however the  
33 amendments to paragraph 1 of subsection (h) of section 3231 of the  
34 insurance law made by section two of this act shall be subject to the  
35 expiration and reversion of such paragraph pursuant to section 5 of  
36 chapter 588 of the laws of 2015, as amended, when upon such date the  
37 provisions of section three of this act shall take effect; and provided,  
38 further, the amendments to paragraph 1 of subsection (e) of section 4317  
39 of the insurance law made by section five of this act shall be subject  
40 to the expiration and reversion of such paragraph pursuant to section 5  
41 of chapter 588 of the laws of 2015, as amended, when upon such date the  
42 provisions of section six of this act shall take effect.