

STATE OF NEW YORK

3632

2019-2020 Regular Sessions

IN SENATE

February 11, 2019

Introduced by Sens. BRESLIN, SEWARD, O'MARA -- 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 prohibiting unilateral reduction, diminishment or non-payment of health insurance commissions or other compensation

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

1 Section 1. Section 2114 of the insurance law is amended by adding a
2 new subsection (c) to read as follows:

3 (c) Notwithstanding any other provision of this chapter or any other
4 general, special or local law to the contrary, it shall be unlawful as
5 against public policy for any insurer or health plan to include any
6 provisions in a sales contract or agreement entered into with a licensed
7 life or accident and health insurance producer, broker, agent or bene-
8 fits consultant, allowing such insurer or health plan to unilaterally
9 reduce, diminish or otherwise cease payments of any commissions or other
10 compensation offered to any such licensed life or accident and health
11 insurance producer, broker, agent or benefits consultant, for the sale
12 or replacement of any individual or small group health insurance policy,
13 contract for insurance or certificate of insurance, where such commis-
14 sions or other compensation were included, embedded or otherwise actuar-
15 ially loaded into such insurer's or health plan's premium rate filings
16 or applications submitted to the department pursuant to section three
17 thousand two hundred thirty-one of this chapter, for so long as such
18 prior approved rates are valid and remain in full force and effect.

19 § 2. This act shall take effect immediately and shall apply to all
20 applicable policies, certificates and contracts issued, renewed, modi-
21 fied, altered or amended on or after such date.

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

LBD09803-01-9