

STATE OF NEW YORK

5929

2019-2020 Regular Sessions

IN SENATE

May 16, 2019

Introduced by Sen. BRESLIN -- 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 the offering of reward or incentive programs to eligible members

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

1 Section 1. Subsection (c) of section 4224 of the insurance law, as
2 amended by chapter 496 of the laws of 2013, is amended and a new
3 subsection (g) is added to read as follows:
4 (c) Except as permitted by section three thousand two hundred thirty-
5 nine of this chapter or [~~subsection~~] subsections (f) and (g) of this
6 section, no such life insurance company and no such savings and insur-
7 ance bank and no officer, agent, solicitor or representative thereof and
8 no such insurer doing in this state the business of accident and health
9 insurance and no officer, agent, solicitor or representative thereof,
10 and no licensed insurance broker and no employee or other representative
11 of any such insurer, agent or broker, shall pay, allow or give, or offer
12 to pay, allow or give, directly or indirectly, as an inducement to any
13 person to insure, or shall give, sell or purchase, or offer to give,
14 sell or purchase, as such inducement, or interdependent with any policy
15 of life insurance or annuity contract or policy of accident and health
16 insurance, any stocks, bonds, or other securities, or any dividends or
17 profits accruing or to accrue thereon, or any valuable consideration or
18 inducement whatever not specified in such policy or contract other than
19 any valuable consideration, including but not limited to merchandise or
20 periodical subscriptions, not exceeding twenty-five dollars in value;
21 nor shall any person in this state knowingly receive as such inducement,
22 any rebate of premium or policy fee or any special favor or advantage in
23 the dividends or other benefits to accrue on any such policy or
24 contract, or knowingly receive any paid employment or contract for

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

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1 services of any kind, or any valuable consideration or inducement what-
2 ever which is not specified in such policy or contract.

3 (g) (1) Notwithstanding subsection (c) of this section, an insurer
4 licensed to write accident and health insurance in this state, a corpo-
5 ration organized pursuant to article forty-three of this chapter or a
6 health maintenance organization certified pursuant to article forty-four
7 of the public health law may apply to the superintendent for approval to
8 offer incentives or rewards, not specified in the policy, if such incen-
9 tives or rewards operate to support wellness, primary and preventative
10 care, population health, care coordination, case management, disease
11 management, mental health and substance use disorder treatment initi-
12 atives, evidenced-based treatment, or quality and cost containment
13 initiatives.

14 (2) Participation in the offering of incentives or rewards shall be
15 voluntary and offered on a non-discriminatory basis to similarly situ-
16 ated members, provided, however, incentives may be targeted at discrete
17 target populations including, but not limited to, target populations
18 determined based on age, sex, geographic location or health status.

19 (3) Incentives or rewards offered under this subsection may be offered
20 in conjunction with non-discriminatory contests or raffles.

21 (4) Where earning an incentive or reward involves a member meeting a
22 specified standard based on a health condition, such incentive or reward
23 program shall meet the requirements of 45 CPR Part 146.

24 (5) A full description of any incentive or reward program approved by
25 the superintendent under this subsection, along with any related incen-
26 tives and rewards, shall be provided to all eligible members in a format
27 approved by the superintendent. Such program and any related incentive
28 or reward shall not need to be described in the policy, contract, or
29 certificate and may be offered for an abbreviated period that does not
30 align with the policy or contract term, however, such incentive or
31 reward program shall be actuarially supported by appropriate premium
32 rates.

33 § 2. This act shall take effect immediately.