

# STATE OF NEW YORK

1039

2021-2022 Regular Sessions

## IN ASSEMBLY

January 7, 2021

Introduced by M. of A. CAHILL, STIRPE, HEVESI, MAGNARELLI, ZEBROWSKI, STECK, QUART, FRIEND -- Multi-Sponsored by -- M. of A. FITZPATRICK -- 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 § 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 11 follows:

12 (1) Notwithstanding any other provision of this chapter, no insurer, 13 subsidiary of an insurer, or controlled person of a holding company 14 system may act as an administrator or claims paying agent, as opposed to 15 an insurer, on behalf of small groups which, if they purchased insurance, would be subject to this section. No insurer may provide stop 16 loss, catastrophic or reinsurance coverage to small groups which, if 17 18 19 20 21 22 23 24

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

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1 they purchased insurance, would be subject to this section. Provided,  
2 however, the provisions of this paragraph shall not apply to: (A) the  
3 renewal of stop loss, catastrophic or reinsurance coverage issued and in  
4 effect on January first, two thousand fifteen to small groups covering  
5 between fifty-one and one hundred employees or members of the group; and  
6 (B) the issuance between January first, two thousand sixteen and Decem-  
7 ber thirty-first, two thousand sixteen, of stop loss, catastrophic or  
8 reinsurance coverage, and any renewal thereof, to a small group covering  
9 between fifty-one and one hundred employees or members of the group,  
10 provided that such group had stop loss, catastrophic or reinsurance  
11 coverage issued and in effect on January first, two thousand fifteen.

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

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

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

29 § 4. Paragraph 1 of subsection (a) of section 4317 of the insurance  
30 law, as amended by section 72 of part D of chapter 56 of the laws of  
31 2013, is amended to read as follows:

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

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

48 (1) Notwithstanding any other provision of this chapter, no insurer,  
49 subsidiary of an insurer, or controlled person of a holding company  
50 system may act as an administrator or claims paying agent, as opposed to  
51 an insurer, on behalf of small groups which, if they purchased insur-  
52 ance, would be subject to this section. No insurer may provide stop  
53 loss, catastrophic or reinsurance coverage to small groups which, if  
54 they purchased insurance, would be subject to this section. Provided,  
55 however, the provisions of this paragraph shall not apply to: (A) the  
56 renewal of stop loss, catastrophic or reinsurance coverage issued and in

1 effect on January first, two thousand fifteen to small groups covering  
2 between fifty-one and one hundred employees or members of the group; and  
3 (B) the issuance between January first, two thousand sixteen, and Decem-  
4 ber thirty-first, two thousand sixteen, of stop loss, catastrophic or  
5 reinsurance coverage, and any renewal thereof, to a small group covering  
6 between fifty-one and one hundred employees or members of the group,  
7 provided that such group had stop loss, catastrophic or reinsurance  
8 coverage issued and in effect on January first, two thousand fifteen.

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

12 § 6. Paragraph 1 of subsection (e) of section 4317 of the insurance  
13 law, as amended by section 72 of part D of chapter 56 of the laws of  
14 2013, is amended to read as follows:

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

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