

# STATE OF NEW YORK

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3554

2023-2024 Regular Sessions

## IN SENATE

January 31, 2023

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Introduced by Sens. BRESLIN, MANNION, SANDERS, SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT authorizing municipalities to join a county self-funded or self-insured health plan

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

1     Section 1. Notwithstanding article 44 or 47 of the insurance law or  
2     any other provision of law to the contrary, and subject to the require-  
3     ments set forth in this section, a municipality is permitted, with the  
4     consent of the county and the governing body of such municipality, to  
5     join a county self-funded or self-insured health plan in any county in  
6     which such municipality is located in whole or in part. Municipality is  
7     defined as any city, town, village or any other municipal corporation, a  
8     school district or any governmental entity operating a public school,  
9     college or university, a public improvement or special district, a  
10    public authority, commission, or public benefit corporation, or any  
11    other public corporation, agency or instrumentality or unit of govern-  
12    ment which exercises governmental powers under the laws of the state but  
13    is not a part of, nor a department of, nor an agency of the state. In  
14    order for a municipality or municipalities to join the county self-fund-  
15    ed or self-insured health plan, the county shall file with the super-  
16    intendent of financial services certification that, with inclusion of  
17    the lives to be covered in the plan following admission of the munici-  
18    pality or municipalities, the county self-funded or self-insured health  
19    plan meets the following six requirements:

20    (a) That the county and any municipality or municipalities joining  
21    such plan have mutually consented to join such plan.

22    (b) That it maintain a reserve fund, calculated as a percentage of  
23    total annual incurred claims, of a minimum of 12% of claims.

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

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(c) That it has a surplus account, established and maintained for the sole purpose of satisfying unexpected obligations of the benefit plan in the event of termination or abandonment of the plan, which shall not be less than 5% of the annualized earned premium equivalents during the current fiscal year of the plan.

(d) That it has in effect a specific stop loss per individual claim only, no aggregate, and with a minimum deductible of \$200,000 to \$250,000.

(e) That it has a minimum of 1,000 covered lives including retirees, but not including dependents.

(f) That joint and several liability of participating municipalities for the obligations of the plan is hereby abolished, and such liability shall be governed as follows:

1. If the plan does not have admitted assets, as defined in section 107 of the insurance law, at least equal to the aggregate of its liabilities and reserves and minimum surplus as provided in subdivision (b) of this section, the governing board of such plan shall, within 30 days thereafter, order an assessment for the amount that will provide sufficient funds to remove such impairment and collect from each municipal corporation a pro rata share of such assessed amount.

2. Every municipal corporation that participated in the plan at any time during the two-year period prior to the issuing of an assessment order by the plan's governing board shall, if notified of such assessment, pay its pro rata share of such assessment within 90 days after the issuance of that assessment order.

3. A municipal corporation's pro rata share of any assessment shall be determined by applying the ratio of (i) the total assessment to the total contributions or premium equivalents earned during the period covered by the assessment on all municipal corporations subject to assessment to (ii) the contribution or premium equivalent earned during such period attributable to such municipal corporation.

4. The contingent liability of municipal corporations for additional premium equivalents or assessments shall not be included as an asset in the financial statements of the self-funded or self-insured health plan.

The superintendent of financial services shall have the authority to review such certification to determine that the six aforementioned requirements have been met; provided, however, that in the absence of a finding of the superintendent to the contrary within a six-month period following the filing of such certification, the admission of the municipality to the county self-funded or self-insured health plan shall take effect. In January of every year following the initial filing of such certification, the county shall file a subsequent certification that the six aforementioned requirements remain in full force and effect.

§ 2. This act shall take effect immediately.