STATE OF NEW YORK

5242--A

Cal. No. 879

2023-2024 Regular Sessions

IN SENATE

February 28, 2023

Introduced by Sens. BRESLIN, COONEY -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- recommitted to the Committee on Insurance in accordance with Senate Rule 6, sec. 8 -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the insurance law, in relation to prohibiting insurers from reducing disability benefits unless certain conditions are met

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

Section 1. Section 3216 of the insurance law is amended by adding two new subsection (n) to read as follows:

(n) No insurer may offset or reduce benefits payable under a policy of accident and health insurance providing disability insurance due to the actual or estimated receipt of social security disability insurance benefits unless:

(1) the insurer has a reasonable, good faith belief that the insured is entitled to such benefits and a means of reasonably estimating the amount payable;

(2) the insurer notifies the insured that the insured may qualify for such benefits and to pursue such benefits through any required administrative appeals;

(3) the insurer makes a good faith effort to assist the insured in applying for such benefits; and

(4) the insured fails to apply for, or pursue, such benefits with reasonable diligence during the application process or any required appeals.

§ 2. Section 3221 of the insurance law is amended by adding a new subsection (u) to read as follows:

(u) No insurer may offset or reduce benefits payable under a policy of accident and health insurance providing disability insurance due to the

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

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actual or estimated receipt of social security disability insurance benefits unless:

(1) the insurer has a reasonable, good faith belief that the insured is entitled to such benefits and a means of reasonably estimating the amount payable;

(2) the insurer notifies the insured that the insured may qualify for such benefits and to pursue such benefits through any required administrative appeals;

(3) the insurer makes a good faith effort to assist the insured in applying for such benefits; and

(4) the insured fails to apply for, or pursue, such benefits with reasonable diligence during the application process or any required appeals.

§ 3. This act shall take effect immediately.