

# STATE OF NEW YORK

10904

## IN ASSEMBLY

April 8, 2026

Introduced by M. of A. MOLITOR -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to enacting the "small business health plan act"

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

1 Section 1. Short title. This act shall be known and cited as the  
2 "small business health plan act".

3 § 2. Subsection (h) of section 3216 of the insurance law is amended by  
4 adding a new paragraph 7 to read as follows:

5 (7) any policy or contract offered to owners or employees of a small  
6 business, as such term is defined in section one hundred thirty-one of  
7 the economic development law, as a benefit of owning or being employed  
8 by such business.

9 § 3. Section 3221 of the insurance law is amended by adding a new  
10 subsection (w) to read as follows:

11 (w) This section shall not apply to any policy or contract offered to  
12 owners or employees of a small business, as such term is defined in  
13 section one hundred thirty-one of the economic development law, as a  
14 benefit of owning or being employed by such business.

15 § 4. The insurance law is amended by adding a new section 3217-k to  
16 read as follows:

17 § 3217-k. Small business owner and employee insurance exemption. (a)  
18 For the purposes of this section, the term "small business" shall have  
19 the same meaning as such term is defined in section one hundred thirty-  
20 one of the economic development law.

21 (b) Notwithstanding any other provision of law to the contrary, insur-  
22 ers may offer to the owners or employees of a small business individual  
23 and/or small group accident and health insurance policies which do not  
24 provide for coverages required under this chapter where such small busi-  
25 ness is subsidizing such policies. Such policies may include riders for  
26 any coverages, including coverages required for other similar policies  
27 under this chapter.

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

LBD15419-02-6

1 § 5. Section 4303 of the insurance law is amended by adding a new  
2 subsection (yy) to read as follows:

3 (yy) This section shall not apply to any policy or contract offered to  
4 owners or employees of a small business, as such term is defined in  
5 section one hundred thirty-one of the economic development law, as a  
6 benefit of being employed by such business.

7 § 6. The insurance law is amended by adding a new section 4306-j to  
8 read as follows:

9 § 4306-j. Small business employee insurance exemption. (a) For the  
10 purposes of this section, the term "small business" shall have the same  
11 meaning as such term is defined in section one hundred thirty-one of the  
12 economic development law.

13 (b) Notwithstanding any other provision of law to the contrary, insur-  
14 ers may offer to the owners or employees of a small business individual  
15 and/or small group accident and health insurance policies which do not  
16 provide for coverages required under this chapter where such small busi-  
17 ness is subsidizing such policies. Such policies may include riders for  
18 any coverages, including coverages required for other similar policies  
19 under this chapter.

20 § 7. This act shall take effect immediately.