

STATE OF NEW YORK

5318

2025-2026 Regular Sessions

IN SENATE

February 20, 2025

Introduced by Sens. BAILEY, COONEY -- 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 prohibiting insurers
from reducing disability benefits unless certain conditions are met

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

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

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

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

10 (2) the insurer notifies the insured that the insured may qualify for
11 such benefits and to pursue such benefits through any required adminis-
12 trative appeals;

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

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

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

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

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

LBD09624-01-5

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

4 (2) the insurer notifies the insured that the insured may qualify for
5 such benefits and to pursue such benefits through any required adminis-
6 trative appeals;

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

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

12 § 3. This act shall take effect immediately.