STATE OF NEW YORK

8326

2025-2026 Regular Sessions

IN SENATE

June 2, 2025

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the insurance law, in relation to requiring health insurance contracts provide coverage to developmentally disabled persons beyond twenty-six years of age

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

Section 1. Subparagraph (C) of paragraph 4 of subsection (a) of section 3216 of the insurance law, as amended by chapter 219 of the laws of 2011, is amended to read as follows:

(C) In addition to the requirements of subparagraphs (A) and (B) of this paragraph, every insurer issuing a policy of hospital, medical, or surgical expense insurance pursuant to this section that provides coverage for dependent children must make available and, if requested by the policyholder, extend coverage under the policy to an unmarried child through age twenty-nine, without regard to financial dependence who is not insured by or eligible for coverage under an employer health benefit plan as an employee or member, whether insured or self-insured, and who lives, works or resides in New York state or the service area of the insurer. Such coverage shall be made available at the inception of all new policies. Written notice of the availability of such coverage shall be delivered to the policyholder [~~thirty days~~] **six months** prior to the inception of such policy. **Where an unmarried dependent child is incapable of self-sustaining employment by reason of mental illness, or developmental disability as defined in the mental hygiene law, or physical handicap and who became so incapable prior to the age at which dependent coverage would otherwise terminate such coverage shall be extended indefinitely past age twenty-six.**

§ 2. Subparagraph (B) of paragraph 5 of subsection (c) of section 3216 of the insurance law, as amended by chapter 479 of the laws of 2022, is amended to read as follows:

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

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(B) Written notice of entitlement to a conversion policy shall be given by the insurer to the policyholder at least [~~fifteen and not more than sixty days~~] six months prior to the termination of coverage due to the initial limiting age of the covered dependent. Such notice shall include an explanation of the rights of the dependent with respect to the dependent being enrolled in an accredited institution of learning or [~~his or her~~] such dependent's incapacity for self-sustaining employment by reason of mental illness, developmental disability as defined in the mental hygiene law or physical [~~handicap~~] disability.

§ 3. The insurance law is amended by adding a new section 3246 to read as follows:

§ 3246. Certain individual accident and health insurance policy provisions for developmentally disabled persons. 1. Any corporation subject to the provisions of this article offering any individual policy or contract covering the kind or kinds of insurance for an unmarried dependent child who is incapable of self-sustaining employment by reason of mental illness, or developmental disability as defined in the mental hygiene law, or physical disability and who became so incapable prior to the age at which dependent coverage would otherwise terminate shall be prohibited from terminating coverage based on age, employment, or marital status if such dependent child is unmarried.

2. If the superintendent finds, after notice and hearing, that an insurer has knowingly and wrongfully violated the provisions of this section, the superintendent may impose a civil penalty of not more than ten thousand dollars for each violation.

§ 4. The insurance law is amended by adding a new section 3247 to read as follows:

§ 3247. Recertification of a developmentally disabled person's condition. No corporation subject to the provisions of this article offering an individual policy or contract covering the kind or kinds of insurance for an unmarried dependent child who is incapable of self-sustaining employment by reason of mental illness, or developmental disability as defined in the mental hygiene law, or physical disability and who became so incapable prior to the age at which dependent coverage would otherwise terminate shall request recertification of an unmarried dependent child's condition more than once every five years, unless a substantial change in an unmarried dependent child's condition occurs.

§ 5. Paragraph 3 of subsection (d) of section 4304 of the insurance law, as amended by chapter 479 of the laws of 2022, is amended to read as follows:

(3) Coverage of an unmarried dependent child who is incapable of self-sustaining employment by reason of mental illness, developmental disability, as defined in the mental hygiene law, or physical [~~handicap~~] disability and who became so incapable prior to attainment of the age at which coverage would otherwise terminate and who is chiefly dependent upon the contract holder for support and maintenance, shall not terminate while the contract remains in force and the child remains in such condition, if the contract holder has within thirty-one days of such child's attainment of the limiting age submitted proof of such child's incapacity as described herein. **A contract holder shall be provided six months' notice advising such contract holder that coverage would otherwise terminate if no such proof of a child's incapacity is submitted.**

§ 6. Item (ii) of subparagraph (A) of paragraph 1 of subsection (c) of section 4305 of the insurance law, as amended by chapter 479 of the laws of 2022, is amended to read as follows:

(ii) a contract under which coverage terminates at a specified age shall, with respect to an unmarried child who is incapable of self-sustaining employment by reason of mental illness, developmental disability, as defined in the mental hygiene law, or physical [~~handicap~~] **disability** and who became so incapable prior to attainment of the age at which coverage would otherwise terminate and who is chiefly dependent upon such member for support and maintenance, not so terminate while the contract remains in force and the child remains in such condition, if the member has within thirty-one days of such child's attainment of the termination age submitted proof of such child's incapacity as described herein. **A contract holder shall be provided six months' notice advising such contract holder that coverage would otherwise terminate if no such proof of a child's incapacity is submitted.**

§ 7. The insurance law is amended by adding a new section 4331 to read as follows:

§ 4331. Certain individual and group contracts health insurance policy provisions for developmentally disabled persons. 1. Any corporation subject to the provisions of this article offering any policy or contract covering the kind or kinds of insurance for an unmarried dependent child who is incapable of self-sustaining employment by reason of mental illness, or developmental disability as defined in the mental hygiene law, or physical disability and who became so incapable prior to the age at which dependent coverage would otherwise terminate shall be prohibited from terminating coverage based on age, employment, or marital status if such dependent child is unmarried.

2. If the superintendent finds, after notice and hearing, that an insurer has knowingly and wrongfully violated the provisions of this section, the superintendent may impose a civil penalty of not more than ten thousand dollars for each violation.

§ 8. The insurance law is amended by adding a new section 4332 to read as follows:

§ 4332. Recertification of a developmentally disabled person's condition. No corporation subject to the provisions of this article offering an individual policy or contract covering the kind or kinds of insurance for an unmarried dependent child who is incapable of self-sustaining employment by reason of mental illness, or developmental disability as defined in the mental hygiene law, or physical disability and who became so incapable prior to the age at which dependent coverage would otherwise terminate shall request recertification of an unmarried dependent child's condition more than once every five years, unless a substantial change in an unmarried dependent child's condition occurs.

§ 9. This act shall take effect January 1, 2026 and shall apply to policies and contracts issued, renewed, modified, altered or amended on or after such date.