

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:

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

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

22 § 2. Subparagraph (B) of paragraph 5 of subsection (c) of section 3216
23 of the insurance law, as amended by chapter 479 of the laws of 2022, is
24 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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1 (B) Written notice of entitlement to a conversion policy shall be
2 given by the insurer to the policyholder at least [~~fifteen and not more~~
3 ~~than sixty days~~] six months prior to the termination of coverage due to
4 the initial limiting age of the covered dependent. Such notice shall
5 include an explanation of the rights of the dependent with respect to
6 the dependent being enrolled in an accredited institution of learning or
7 [~~his or her~~] such dependent's incapacity for self-sustaining employment
8 by reason of mental illness, developmental disability as defined in the
9 mental hygiene law or physical [~~handicap~~] disability.

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

12 § 3246. Certain individual accident and health insurance policy
13 provisions for developmentally disabled persons. 1. Any corporation
14 subject to the provisions of this article offering any individual policy
15 or contract covering the kind or kinds of insurance for an unmarried
16 dependent child who is incapable of self-sustaining employment by reason
17 of mental illness, or developmental disability as defined in the mental
18 hygiene law, or physical disability and who became so incapable prior to
19 the age at which dependent coverage would otherwise terminate shall be
20 prohibited from terminating coverage based on age, employment, or mari-
21 tal status if such dependent child is unmarried.

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

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

28 § 3247. Recertification of a developmentally disabled person's condi-
29 tion. No corporation subject to the provisions of this article offering
30 an individual policy or contract covering the kind or kinds of insurance
31 for an unmarried dependent child who is incapable of self-sustaining
32 employment by reason of mental illness, or developmental disability as
33 defined in the mental hygiene law, or physical disability and who became
34 so incapable prior to the age at which dependent coverage would other-
35 wise terminate shall request recertification of an unmarried dependent
36 child's condition more than once every five years, unless a substantial
37 change in an unmarried dependent child's condition occurs.

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

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

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

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

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

16 § 4331. Certain individual and group contracts health insurance policy
17 provisions for developmentally disabled persons. 1. Any corporation
18 subject to the provisions of this article offering any policy or
19 contract covering the kind or kinds of insurance for an unmarried
20 dependent child who is incapable of self-sustaining employment by reason
21 of mental illness, or developmental disability as defined in the mental
22 hygiene law, or physical disability and who became so incapable prior to
23 the age at which dependent coverage would otherwise terminate shall be
24 prohibited from terminating coverage based on age, employment, or mari-
25 tal status if such dependent child is unmarried.

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

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

32 § 4332. Recertification of a developmentally disabled person's condi-
33 tion. No corporation subject to the provisions of this article offering
34 an individual policy or contract covering the kind or kinds of insurance
35 for an unmarried dependent child who is incapable of self-sustaining
36 employment by reason of mental illness, or developmental disability as
37 defined in the mental hygiene law, or physical disability and who became
38 so incapable prior to the age at which dependent coverage would other-
39 wise terminate shall request recertification of an unmarried dependent
40 child's condition more than once every five years, unless a substantial
41 change in an unmarried dependent child's condition occurs.

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