STATE OF NEW YORK

4719--A

2025-2026 Regular Sessions

IN SENATE

February 12, 2025

Introduced by Sens. FAHY, JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT authorizing municipalities to join a county self-funded or self-insured health plan

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

Section 1. A municipality is permitted, with the consent of the county and the governing body of such municipality, to join a county self-funded or self-insured health plan in any county in which such municipality is located in whole or in part. Municipality is defined as any city, town, village or any other municipal corporation, that is not a part of, nor a department of, nor an agency of the state. In order for a municipality or municipalities to join the county self-funded or self-insured health plan, the county shall file with the superintendent of financial services certification that, with inclusion of the lives to be covered in the plan, prior to the admission of the municipality or municipalities, that the county self-funded or self-insured health plan meets the following six requirements:

(a) That the county and any municipality or municipalities joining such plan have mutually consented to join such plan.

(b) That it maintain a reserve fund, calculated as a percentage of total annual incurred claims, of a minimum of 12% of claims.

(c) That it has a surplus account, established and maintained for the sole purpose of satisfying unexpected obligations of the benefit plan in the event of termination or abandonment of the plan, which shall not be less than 5% of the annualized earned premium equivalents during the current fiscal year of the plan.

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

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(d) That it has in effect a specific stop loss per individual claim only, no aggregate, and with a minimum deductible of $200,000 to $250,000.

(e) That it has a minimum of 1,000 covered lives including retirees, but not including dependents.

(f) That joint and several liability of participating municipalities for the obligations of the plan is hereby abolished, and such liability shall be governed as follows:

1. If the plan does not have admitted assets, as defined in section 107 of the insurance law, at least equal to the aggregate of its liabilities and reserves and minimum surplus as provided in subdivision (b) of this section, the governing board of such plan shall, within 30 days thereafter, order an assessment for the amount that will provide sufficient funds to remove such impairment and collect from each municipal corporation a pro rata share of such assessed amount.

2. Every municipal corporation that participated in the plan at any time during the two-year period prior to the issuing of an assessment order by the plan's governing board shall, if notified of such assessment, pay its pro rata share of such assessment within 90 days after the issuance of that assessment order.

3. A municipal corporation's pro rata share of any assessment shall be determined by applying the ratio of (i) the total assessment to the total contributions or premium equivalents earned during the period covered by the assessment on all municipal corporations subject to assessment to (ii) the contribution or premium equivalent earned during such period attributable to such municipal corporation.

4. The contingent liability of municipal corporations for additional premium equivalents or assessments shall not be included as an asset in the financial statements of the self-funded or self-insured health plan.

§ 2. Any county that seeks to admit a municipality or municipalities to its self-insured or self-funded health plan shall utilize the services of an actuary approved by the superintendent of financial services who shall certify that the criteria set forth above have been complied with. Certification by an actuary approved by the superintendent of financial services shall establish a presumption that the municipality or municipalities shall be admitted to the county self-insured or self-funded health plan. Provided, however, that the superintendent of financial services may, before the passage of one year from the date of certification, may reject such certification stating the grounds therefor and any requirements to assure that must be met to assure that the proposal is approved.

§ 3. This act shall take effect immediately.