

## Health Insurance Backstop

By John W. Fried, Esq.

New York's Legislature, with the approval of the Governor, enacted a statute that will require insurers to notify a designated third person before certain terminations of health insurance policies held by persons 65 years of age or older. Laws of 2010, Ch. 49.

The statute permits a senior citizen, directly paying premiums, to designate a third party to whom his or her insurer shall transmit a notice of nonpayment of premiums due or a notice of cancellation for nonpayment of premiums. The senior citizen's written designation of such a third party must be delivered to his or her insurer by certified mail, return receipt requested. The designation shall be effective not later than ten business days from the insurer's receipt thereof.

The statute requires that the notice of policy termination sent to a third party designee must be mailed in an envelope clearly marked on its face with the following: "IMPORTANT INSURANCE POLICY INFORMATION: OPEN IMMEDIATELY."

In addition, the statute requires that insurers shall notify their senior citizen insureds annually in writing of the availability of the third party designee notice procedure and provide information on how they can commence this procedure for themselves. This annual notice, however, need not be provided to those senior citizen insureds that already have third party designees.

This new statute, which amends Insurance Law § 3111(c), becomes effective on October 25, 2010 and shall apply to all policies issued or renewed on or after that date.

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*[Editor's Note: John W. Fried is a Partner at the New York office of Fried & Epstein LLP, which regularly represents policyholders in insurance coverage disputes. He is a frequent speaker and author on the subject of insurance coverage law and practice. Information concerning Fried & Epstein's Insurance Coverage Practice Group may be obtained by visiting the firm's website at [www.fried-epstein.com](http://www.fried-epstein.com). Responses to this article are welcome. Copyright 2010 John W. Fried.]*

