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## S06263 Summary:

BILL NO S06263C

SAME AS Same as A 9243-B

SPONSOR SCHNEIDERMAN

COSPNSR BRESLIN, ADAMS, DIAZ, FOLEY, HASSELL-THOMPSON, HUNTLEY, JOHNSON C, KRUEGER, MONTGOMERY, ONORATO, PARKER, SAVINO, SQUADRON, STAVISKY, STEWART-COUSINS, THOMPSON, VALESKY, ADAMS

MLTSPNSR

Amd SS3221 & 4305, Ins L

Enacts Ian's Law, which provides enhanced consumer protections in the event of an insurer's discontinuance of coverage, including requiring approval of the superintendent and notice to policyholders.

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## S06263 Text:

S T A T E O F N E W Y O R K

6263-C

Cal. No. 715

2009-2010 Regular Sessions

I N S E N A T E

November 4, 2009

Introduced by Sens. SCHNEIDERMAN, BRESLIN, ADAMS, DIAZ, FOLEY, HASSELL-THOMPSON, HUNTLEY, C. JOHNSON, KRUEGER, MONTGOMERY, ONORATO, PARKER, SAVINO, SQUADRON, STAVISKY, STEWART-COUSINS, THOMPSON, VALESKY - read twice and ordered printed, and when printed to be committed to the Committee on Rules - recommitted to the Committee on Insurance in accordance with Senate Rule 6, sec. 8 - committee discharged, bill

amended, ordered reprinted as amended and recommitted to said committee - committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee - reported favorably from said committee and committed to the Committee on Codes - reported favorably from said committee, ordered to first and second report, ordered to a third reading, passed by Senate and delivered to the Assembly, recalled, vote reconsidered, restored to third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the insurance law, in relation to providing enhanced consumer protections in the event of an insurer's discontinuance of coverage

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Short title. This act shall be known and may be cited as  
2 "Ian's law".  
3 S 2. Paragraph 3 of subsection (p) of section 3221 of the insurance  
4 law, as added by chapter 661 of the laws of 1997, is amended to read as  
5 follows:  
6 (3)(A) In any case in which an insurer decides to discontinue offering  
7 a particular class of group or blanket policy of hospital, surgical or  
8 medical expense insurance offered in the small or large group market,  
9 the policy of such class may be discontinued by the insurer in accord-  
10 ance with this chapter in such market only if:

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

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1 (i) the insurer provides written notice to each policyholder provided  
2 coverage of this class in such market (and to all [participants] EMPLOY-  
3 EES and [beneficiaries] MEMBER INSUREDS covered under such coverage) of  
4 such discontinuance at least ninety days prior to the date of discontinu-  
5 ance of such coverage. IN ADDITION TO ANY OTHER INFORMATION REQUIRED OF  
6 NOTICES BY THE SUPERINTENDENT, THIS WRITTEN NOTICE SHALL CONSPICUOUSLY  
7 INCLUDE AN EXPLANATION, IN PLAIN LANGUAGE, OF THE POLICYHOLDER'S AND  
8 COVERED EMPLOYEE'S OR MEMBER INSURED'S RIGHTS UNDER THIS SUBPARAGRAPH  
9 AND (B) OF THIS PARAGRAPH, INCLUDING:  
10 (I) A STATEMENT THAT IF THE SUPERINTENDENT DETERMINES THAT THE COVERED  
11 EMPLOYEE, MEMBER INSURED, OR A DEPENDENT HAS A SERIOUS MEDICAL CONDI-  
12 TION, AND THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE  
13 PREVIOUS TWELVE MONTHS UTILIZED A BENEFIT UNDER THE POLICY RELATED TO  
14 THE SERIOUS MEDICAL CONDITION THAT IS NOT COVERED BY THE REPLACEMENT  
15 COVERAGE OFFERED TO THE POLICYHOLDER AS A RESULT OF THE DISCONTINUANCE,  
16 THEN THE SUPERINTENDENT SHALL REQUIRE THE INSURER TO OFFER THE POLICY-  
17 HOLDER REPLACEMENT COVERAGE THAT INCLUDES A BENEFIT THAT IS THE SAME AS  
18 OR SUBSTANTIALLY SIMILAR TO THE BENEFIT SET FORTH IN THE POLICY THAT THE  
19 INSURER DISCONTINUED; AND  
20 (II) AN EXPLANATION AS TO HOW TO CONTACT THE SUPERINTENDENT, AND THE  
21 DATE BY WHICH THE SUPERINTENDENT SHALL BE CONTACTED, IF THE POLICYHOLD-  
22 ER, COVERED EMPLOYEE OR MEMBER INSURED BELIEVES THAT THE COVERED EMPLOY-  
23 EE, MEMBER INSURED OR A DEPENDENT HAS A SERIOUS MEDICAL CONDITION, AND  
24 THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE PREVIOUS  
25 TWELVE MONTHS UTILIZED A BENEFIT RELATED TO THE SERIOUS MEDICAL CONDI-  
26 TION THAT MAY NOT BE COVERED BY THE REPLACEMENT COVERAGE OFFERED TO THE  
27 POLICYHOLDER AS A RESULT OF THE DISCONTINUANCE;

28 (ii) the insurer offers to each policyholder provided coverage of this  
29 class in such market, the option to purchase all (or, in the case of the  
30 large group market, any) other hospital, surgical and medical expense  
31 coverage currently being offered by the insurer to a group in such  
32 market; [and]

33 (iii) in exercising the option to discontinue coverage of this class  
34 and in offering the option of coverage under item (ii) of this subpara-  
35 graph, the insurer acts uniformly without regard to the claims experi-  
36 ence of those policyholders or any health status-related factor relating  
37 to any [insureds covered or new insureds] PARTICULAR COVERED EMPLOYEE,  
38 MEMBER INSURED OR DEPENDENT OR PARTICULAR NEW EMPLOYEE, MEMBER INSURED  
39 OR DEPENDENT who may become eligible for such coverage, AND THE INSURER  
40 IS NOT DISCONTINUING THE COVERAGE OF THIS CLASS WITH THE INTENT OR AS A  
41 PRETEXT TO DISCONTINUING THE COVERAGE OF ANY SUCH EMPLOYEE, MEMBER  
42 INSURED OR DEPENDENT; AND

43 (IV) AT LEAST NINETY DAYS PRIOR TO THE DATE OF DISCONTINUANCE OF SUCH  
44 COVERAGE, THE INSURER PROVIDES WRITTEN NOTICE TO THE SUPERINTENDENT OF  
45 SUCH DISCONTINUANCE, INCLUDING THE REASON FOR THE DISCONTINUANCE, AND AN  
46 OFFICER OR DIRECTOR OF THE INSURER CERTIFIES TO THE SUPERINTENDENT THAT  
47 THE INSURER HAS COMPLIED WITH ITEMS (I), (II) AND (III) OF THIS PARA-  
48 GRAPH. IF SUCH NOTICE DOES NOT INCLUDE THE DATE OR DATES THAT THE INSUR-  
49 ER MAILED OR DELIVERED THE NOTICE TO ALL POLICYHOLDERS, COVERED EMPLOY-  
50 ERS AND MEMBER INSUREDS, THE INSURER SHALL NOTIFY THE SUPERINTENDENT OF  
51 SUCH DATE WITHIN SEVEN DAYS OF THE COMPLETION OF THE MAILING OR  
52 DELIVERY.

53 (B) IF THE SUPERINTENDENT DETERMINES THAT THE INSURER HAS NOT COMPLIED  
54 WITH ITEM (III) OF SUBPARAGRAPH (A) OF THIS PARAGRAPH, THEN THE SUPER-  
55 INTENDENT MAY PROHIBIT THE INSURER FROM DISCONTINUING THE CLASS OF POLI-  
56 CIES AND REQUIRE THE INSURER TO PROMPTLY NOTIFY EVERY POLICYHOLDER,  
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1 COVERED EMPLOYEE AND MEMBER INSURED THAT THE INSURER IS NOT DISCONTINU-  
2 ING THE POLICIES. IF THE SUPERINTENDENT DETERMINES THAT THE INSURER  
3 WRONGFULLY DISCONTINUED THE CLASS OF POLICIES PURSUANT TO ITEM (III) OF  
4 SUBPARAGRAPH (A), THEN THE SUPERINTENDENT SHALL REQUIRE THAT THE INSURER  
5 TAKE REMEDIAL ACTION, INCLUDING OFFERING TO GROUP POLICYHOLDERS THE  
6 OPTION OF REINSTATING THE DISCONTINUED POLICY FORMS. IF THE SUPERINTEN-  
7 DENT DETERMINES THAT THE INSURER DISCONTINUED THE CLASS OF POLICIES  
8 WITHOUT COMPLIANCE WITH ITEMS (I), (II), OR (IV) OF SUBPARAGRAPH (A),  
9 AND AN EMPLOYEE, MEMBER INSURED OR DEPENDENT COVERED UNDER THE DISCON-  
10 TINUED POLICY WOULD HAVE BEEN ENTITLED TO RELIEF UNDER THIS PARAGRAPH,  
11 THEN THE SUPERINTENDENT MAY REQUIRE THAT THE INSURER OFFER REPLACEMENT  
12 COVERAGE TO AN AFFECTED POLICYHOLDER CONSISTENT WITH ITEM (II) OF  
13 SUBPARAGRAPH (C) OF THIS PARAGRAPH.

14 (C) (I) IF, WITHIN FORTY-FIVE DAYS AFTER THE INSURER MAILES OR DELIVERS  
15 THE WRITTEN NOTICE OF DISCONTINUANCE REQUIRED BY ITEM (I) OF SUBPARA-  
16 GRAPH (A) OF THIS PARAGRAPH, THE SUPERINTENDENT IS NOTIFIED BY A POLICY-  
17 HOLDER OR COVERED EMPLOYEE OR MEMBER INSURED THAT A COVERED EMPLOYEE,  
18 MEMBER INSURED OR DEPENDENT HAS A SERIOUS MEDICAL CONDITION AND THAT A  
19 BENEFIT UTILIZED BY THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT  
20 WITHIN THE PREVIOUS TWELVE MONTHS RELATED TO THE SERIOUS MEDICAL CONDI-  
21 TION MAY NOT BE COVERED BY THE REPLACEMENT COVERAGE OFFERED TO THE POLI-  
22 CYHOLDER AS A RESULT OF THE DISCONTINUANCE, THEN THE SUPERINTENDENT  
23 SHALL, WITHIN TWENTY DAYS OF THE NOTIFICATION, ASK THE INSURER TO  
24 CONFIRM THAT THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT UTILIZE A  
25 BENEFIT WITHIN THE PREVIOUS TWELVE MONTHS TO TREAT THE MEDICAL CONDITION  
26 THAT THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT ASSERTS IS A  
27 SERIOUS MEDICAL CONDITION, AND THAT THE BENEFIT IS NOT COVERED BY THE  
28 REPLACEMENT COVERAGE. THE SUPERINTENDENT MAY REQUEST SUCH ADDITIONAL  
29 INFORMATION AS THE SUPERINTENDENT MAY REQUIRE. THE INSURER SHALL PROVIDE

30 ALL REQUESTED INFORMATION TO THE SUPERINTENDENT WITHIN FIVE DAYS OF  
31 RECEIPT OF THE REQUEST.

32 (II) IF, WITHIN TWENTY DAYS OF THE SUPERINTENDENT'S RECEIPT OF ALL  
33 ADDITIONAL INFORMATION REQUESTED FROM THE INSURER, THE SUPERINTENDENT  
34 DETERMINES THAT (I) THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT  
35 HAS A SERIOUS MEDICAL CONDITION; AND (II) THE BENEFIT UTILIZED BY THE  
36 COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE PREVIOUS TWELVE  
37 MONTHS RELATED TO THE SERIOUS MEDICAL CONDITION IS NOT COVERED BY THE  
38 REPLACEMENT COVERAGE OFFERED TO THE POLICYHOLDER AS A RESULT OF THE  
39 DISCONTINUANCE, THEN THE SUPERINTENDENT SHALL REQUIRE THE INSURER TO  
40 OFFER TO THE POLICYHOLDER REPLACEMENT COVERAGE THAT INCLUDES A BENEFIT  
41 THAT IS THE SAME AS OR SUBSTANTIALLY SIMILAR TO THE BENEFIT SET FORTH IN  
42 THE POLICY THAT THE INSURER DISCONTINUED. IF THE REPLACEMENT COVERAGE IS  
43 NOT AVAILABLE, AT THE TIME THAT THE POLICY WOULD OTHERWISE BE DISCONTIN-  
44 UED, THEN THE INSURER SHALL KEEP THE EXISTING POLICY IN FORCE FOR THE  
45 AFFECTED POLICYHOLDER UNTIL THE REPLACEMENT COVERAGE WITH THE SUBSTAN-  
46 TIALY SIMILAR BENEFIT IS AVAILABLE.

47 (D) THE REMEDIES AS PROVIDED IN THIS PARAGRAPH SHALL BE IN ADDITION TO  
48 AND NOT IN LIEU OF ANY OTHER AUTHORITY OR POWER OF THE SUPERINTENDENT TO  
49 IMPOSE MONETARY OR OTHER PENALTIES FOR VIOLATIONS OF THIS PARAGRAPH.

50 [(B)] (E) In any case in which an insurer elects to discontinue offer-  
51 ing all hospital, surgical and medical expense coverage in the small  
52 group market or the large group market, or both markets, in this state,  
53 health insurance coverage may be discontinued by the insurer only if:

54 (i) the insurer provides written notice to the superintendent and to  
55 each policyholder (and [participants and beneficiaries] ALL EMPLOYEES  
56 AND MEMBER INSUREDS covered under such coverage) of such discontinuance  
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1 at least one hundred eighty days prior to the date of the discontinuance  
2 of such coverage;

3 (ii) all hospital, surgical and medical expense coverage issued or  
4 delivered for issuance in this state in such market (or markets) is  
5 discontinued and coverage under such policies in such market (or  
6 markets) is not renewed; and

7 (iii) in addition to the notice to the superintendent referred to in  
8 item (i) of this subparagraph, the insurer [must] SHALL provide the  
9 superintendent with a written plan to minimize potential disruption in  
10 the marketplace occasioned by [its] THE INSURER'S withdrawal from the  
11 market.

12 [(C)] (F) In the case of a discontinuance under subparagraph [(B)] (E)  
13 of this paragraph in a market, the insurer may not provide for the issu-  
14 ance of any group or blanket policy of hospital, surgical or medical  
15 expense insurance in that market in this state during the five year  
16 period beginning on the date of the discontinuance of the last health  
17 insurance policy not so renewed.

18 S 3. Paragraph 3 of subsection (j) of section 4305 of the insurance  
19 law, as added by chapter 661 of the laws of 1997, is amended to read as  
20 follows:

21 (3) (A) In any case in which a corporation decides to discontinue  
22 offering a particular class of group or blanket contract of hospital,  
23 surgical or medical expense insurance offered in the small or large  
24 group market, the contract of such class may be discontinued by the  
25 corporation in accordance with this chapter in such market only if:

26 (i) the corporation provides written notice to each contract holder  
27 provided coverage of this class in such market (and to all [partic-  
28 ipants] EMPLOYEES and [beneficiaries] MEMBER INSUREDS covered under such  
29 coverage) of such discontinuance at least ninety days prior to the date  
30 of discontinuance of such coverage. IN ADDITION TO ANY OTHER INFORMATION  
31 REQUIRED OF NOTICES BY THE SUPERINTENDENT, THIS WRITTEN NOTICE SHALL

32 CONSPICUOUSLY INCLUDE AN EXPLANATION, IN PLAIN LANGUAGE, OF THE CONTRACT  
33 HOLDER'S AND COVERED EMPLOYEE'S OR MEMBER INSURED'S RIGHTS UNDER THIS  
34 SUBPARAGRAPH AND SUBPARAGRAPH (B) OF THIS PARAGRAPH, INCLUDING:

35 (I) A STATEMENT THAT IF THE SUPERINTENDENT DETERMINES THAT THE COVERED  
36 EMPLOYEE, MEMBER INSURED, OR A DEPENDENT HAS A SERIOUS MEDICAL CONDI-  
37 TION, AND THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE  
38 PREVIOUS TWELVE MONTHS UTILIZED A BENEFIT UNDER; THE CONTRARY RELATED TO  
39 THE SERIOUS MEDICAL CONDITION THAT IS NOT COVERED BY THE REPLACEMENT  
40 COVERAGE OFFERED TO THE CONTRACT HOLDER AS A RESULT OF THE DISCONTIN-  
41 UANCE, THEN THE SUPERINTENDENT SHALL REQUIRE THE CORPORATION TO OFFER  
42 THE CONTRACT HOLDER REPLACEMENT COVERAGE THAT INCLUDES A BENEFIT THAT IS  
43 THE SAME AS OR SUBSTANTIALLY SIMILAR TO THE BENEFIT SET FORTH IN THE  
44 CONTRACT THAT THE CORPORATION DISCONTINUED; AND

45 (II) AN EXPLANATION AS TO HOW TO CONTACT THE SUPERINTENDENT, AND THE  
46 DATE BY WHICH THE SUPERINTENDENT SHALL BE CONTACTED, IF THE CONTRACT  
47 HOLDER, COVERED EMPLOYEE OR MEMBER INSURED BELIEVES THAT THE COVERED  
48 EMPLOYEE, MEMBER INSURED OR A DEPENDENT HAS A SERIOUS MEDICAL CONDITION,  
49 AND THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE PREVI-  
50 OUS TWELVE MONTHS UTILIZED A BENEFIT RELATED TO THE SERIOUS MEDICAL  
51 CONDITION THAT MAY NOT BE COVERED BY THE REPLACEMENT COVERAGE OFFERED TO  
52 THE CONTRACT HOLDER AS A RESULT OF THE DISCONTINUANCE;

53 (ii) the corporation offers to each contract holder provided coverage  
54 of this class in such market, the option to purchase all (or, in the  
55 case of the large group market, any) other hospital, surgical and  
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1 medical expense coverage currently being offered by the corporation to a  
2 group in such market; [and]

3 (iii) in exercising the option to discontinue coverage of this class  
4 and in offering the option of coverage under item (ii) of this subpara-  
5 graph, the corporation acts uniformly without regard to the claims expe-  
6 rience of those contract holders or any health status-related factor  
7 relating to any [subscribers covered or new subscribers] PARTICULAR  
8 COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT who may become eligible  
9 for such coverage, AND THE CORPORATION IS NOT DISCONTINUING THE COVERAGE  
10 OF THIS CLASS WITH THE INTENT OR AS A PRETEXT TO DISCONTINUING THE  
11 COVERAGE OF ANY SUCH EMPLOYEE, MEMBER INSURED OR DEPENDENT; AND

12 (IV) AT LEAST NINETY DAYS PRIOR TO THE DATE OF DISCONTINUANCE OF SUCH  
13 COVERAGE, THE CORPORATION PROVIDES WRITTEN NOTICE TO THE SUPERINTENDENT  
14 OF SUCH DISCONTINUANCE, INCLUDING THE REASON FOR THE DISCONTINUANCE, AND  
15 AN OFFICER OR DIRECTOR OF THE CORPORATION CERTIFIES TO THE SUPERINTEN-  
16 DENT THAT THE CORPORATION HAS COMPLIED WITH ITEMS (I), (II) AND (III) OF  
17 THIS PARAGRAPH. IF SUCH NOTICE DOES NOT INCLUDE THE DATE OR DATES THAT  
18 THE CORPORATION MAILED OR DELIVERED THE NOTICE TO ALL CONTRACT HOLDERS,  
19 COVERED EMPLOYERS AND MEMBER INSUREDS, THE CORPORATION SHALL NOTIFY THE  
20 SUPERINTENDENT OF SUCH DATE WITHIN SEVEN DAYS OF THE COMPLETION OF THE  
21 MAILING OR DELIVERY.

22 (B) IF THE SUPERINTENDENT DETERMINES THAT THE CORPORATION HAS NOT  
23 COMPLIED WITH ITEM (III) OF SUBPARAGRAPH (A) OF THIS PARAGRAPH, THEN THE  
24 SUPERINTENDENT MAY PROHIBIT THE CORPORATION FROM DISCONTINUING THE CLASS  
25 OF CONTRACTS AND REQUIRE THE CORPORATION TO PROMPTLY NOTIFY EVERY  
26 CONTRACT HOLDER, COVERED EMPLOYEE AND MEMBER INSURED THAT THE CORPO-  
27 RATION IS NOT DISCONTINUING THE CONTRACTS. IF THE SUPERINTENDENT DETER-  
28 MINES THAT THE CORPORATION WRONGFULLY DISCONTINUED THE CLASS OF  
29 CONTRACTS PURSUANT TO ITEM (III) OF SUBPARAGRAPH (A), THEN THE SUPER-  
30 INTENDENT SHALL REQUIRE THAT THE CORPORATION TAKE REMEDIAL ACTION,  
31 INCLUDING OFFERING TO GROUP CONTRACT HOLDERS THE OPTION OF REINSTATING  
32 THE DISCONTINUED CONTRACT FORMS. IF THE SUPERINTENDENT DETERMINES THAT  
33 THE CORPORATION DISCONTINUED THE CLASS OF CONTRACTS WITHOUT COMPLIANCE  
34 WITH ITEMS (I), (II), OR (IV) OF SUBPARAGRAPH (A), AND AN EMPLOYEE,

35 MEMBER INSURED OR DEPENDENT COVERED UNDER THE DISCONTINUED CONTRACT  
36 WOULD HAVE BEEN ENTITLED TO RELIEF UNDER THIS PARAGRAPH, THEN THE SUPER-  
37 INTENDENT MAY REQUIRE THAT THE CORPORATION OFFER REPLACEMENT COVERAGE TO  
38 AN AFFECTED CONTRACT HOLDER CONSISTENT WITH ITEM (II) OF SUBPARAGRAPH  
39 (C) OF THIS PARAGRAPH.

40 (C) (I) IF, WITHIN FORTY-FIVE DAYS AFTER THE CORPORATION MAELS OR  
41 DELIVERS THE WRITTEN NOTICE OF DISCONTINUANCE REQUIRED BY ITEM (I) OF  
42 SUBPARAGRAPH (A) OF THIS PARAGRAPH, THE SUPERINTENDENT IS NOTIFIED BY A  
43 CONTRACT HOLDER OR COVERED EMPLOYEE OR MEMBER INSURED THAT A COVERED  
44 EMPLOYEE, MEMBER INSURED OR DEPENDENT HAS A SERIOUS MEDICAL CONDITION  
45 AND THAT A BENEFIT UTILIZED BY THE COVERED EMPLOYEE, MEMBER INSURED OR  
46 DEPENDENT WITHIN THE PREVIOUS TWELVE MONTHS RELATED TO THE SERIOUS  
47 MEDICAL CONDITION MAY NOT BE COVERED BY THE REPLACEMENT COVERAGE OFFERED  
48 TO THE CONTRACT HOLDER AS A RESULT OF THE DISCONTINUANCE, THEN THE  
49 SUPERINTENDENT SHALL, WITHIN TWENTY DAYS OF THE NOTIFICATION, ASK THE  
50 CORPORATION TO CONFIRM THAT THE COVERED EMPLOYEE, MEMBER INSURED OR  
51 DEPENDENT UTILIZED A BENEFIT WITHIN THE PREVIOUS TWELVE MONTHS TO TREAT  
52 THE MEDICAL CONDITION THAT THE COVERED EMPLOYEE, MEMBER INSURED OR  
53 DEPENDENT ASSERTS IS A SERIOUS MEDICAL CONDITION, AND THAT THE BENEFIT  
54 IS NOT COVERED BY THE REPLACEMENT COVERAGE. THE SUPERINTENDENT MAY  
55 REQUEST SUCH ADDITIONAL INFORMATION AS THE SUPERINTENDENT MAY REQUIRE.  
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1 THE CORPORATION SHALL PROVIDE ALL REQUESTED INFORMATION TO THE SUPER-  
2 INTENDENT WITHIN FIVE DAYS OF RECEIPT OF THE REQUEST.

3 (II) IF, WITHIN TWENTY DAYS OF THE SUPERINTENDENT'S RECEIPT OF ALL  
4 ADDITIONAL INFORMATION REQUESTED FROM THE CORPORATION, THE SUPERINTEN-  
5 DENT DETERMINES THAT (I) THE COVERED EMPLOYEE, MEMBER INSURED OR DEPEND-  
6 ENT HAS A SERIOUS MEDICAL CONDITION; AND (II) THE BENEFIT UTILIZED BY  
7 THE COVERED EMPLOYEE, MEMBER INSURED OR DEPENDENT WITHIN THE PREVIOUS  
8 TWELVE MONTHS RELATED TO THE SERIOUS MEDICAL CONDITION IS NOT COVERED BY  
9 THE REPLACEMENT COVERAGE OFFERED TO THE CONTRACT HOLDER AS A RESULT OF  
10 THE DISCONTINUANCE, THEN THE SUPERINTENDENT SHALL REQUIRE THE CORPO-  
11 RATION TO OFFER TO THE CONTRACT HOLDER REPLACEMENT COVERAGE THAT  
12 INCLUDES A BENEFIT THAT IS THE SAME AS OR SUBSTANTIALLY SIMILAR TO THE  
13 BENEFIT SET FORTH IN THE CONTRACT THAT THE CORPORATION DISCONTINUED. IF  
14 THE REPLACEMENT COVERAGE IS NOT AVAILABLE, AT THE TIME THAT THE CONTRACT  
15 WOULD OTHERWISE BE DISCONTINUED, THEN THE CORPORATION SHALL KEEP THE  
16 EXISTING POLICY IN FORCE FOR THE AFFECTED CONTRACT HOLDER UNTIL THE  
17 REPLACEMENT COVERAGE WITH THE SUBSTANTIALLY SIMILAR BENEFIT IS AVAIL-  
18 ABLE.

19 (D) THE REMEDIES AS PROVIDED IN THIS PARAGRAPH SHALL BE IN ADDITION TO  
20 AND NOT IN LIEU OF ANY OTHER AUTHORITY OR POWER OF THE SUPERINTENDENT TO  
21 IMPOSE MONETARY OR OTHER PENALTIES FOR VIOLATIONS OF THIS PARAGRAPH.

22 [(B)] (E) In any case in which a corporation elects to discontinue  
23 offering all hospital, surgical and medical expense coverage in the  
24 small group market or the large group market, or both markets, in this  
25 state, health insurance coverage may be discontinued by the corporation  
26 only if:

27 (i) the corporation provides written notice to the superintendent and  
28 to each contract holder (and [participants and beneficiaries] ALL  
29 EMPLOYEES AND MEMBER INSUREDS covered under such coverage) of such  
30 discontinuance at least one hundred eighty days prior to the date of the  
31 discontinuance of such coverage;

32 (ii) all hospital, surgical and medical expense coverage issued or  
33 delivered for issuance in this state in such market or markets is  
34 discontinued and coverage under such contracts in such market or markets  
35 is not renewed; and

36 (iii) in addition to the notice to the superintendent referred to in  
37 item (i) of this subparagraph, the corporation [must] SHALL provide the

38 superintendent with a written plan to minimize potential disruption in  
39 the marketplace occasioned by [its] THE CORPORATION'S withdrawal from  
40 the market.

41 [(C)] (F) In the case of a discontinuance under subparagraph [(B)] (E)  
42 of this paragraph in a market, the corporation may not provide for the  
43 issuance of any group or blanket contract of hospital, surgical or  
44 medical expense insurance in that market in this state during the five-  
45 year period beginning on the date of the discontinuance of the last  
46 health insurance contract not so renewed.

47 S 4. This act shall take effect on the first of January next succeed-  
48 ing the date on which it shall have become a law.

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