



NEW YORK STATE SENATOR

Shirley L. Huntley

Ian' law

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News From Senator Shirley L. Huntley

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Senate Passes “Ian’s Law,” Curbing Insurance Industry Abuses

Stops insurers from discontinuing entire classes of policies

as pretext to dropping coverage

(D-Jamaica) Senator Shirley L. Huntley fights for insurance reform by voting and passing the groundbreaking legislation (S. 6263B) that protects patients from being denied coverage after paying for it. The measure closes a loophole which allowed insurance companies to drop coverage for an entire class of policyholders due to one high-cost individual.

“Ian’s Law” sets out new requirements for insurers:

- Insurers can not drop entire classes of insurance statewide as a pretext to deny coverage to individual policyholders;

- Insurers must certify to the Insurance Department that they provided written notice to all individuals covered by a class of policies that they wish to discontinue the class;
- Insurers must offer each policyholder in the dropped class the option to purchase any other medical coverage currently being offered by the insurer.

Senator Huntley ensures safety and fairness to all policyholders by supporting this legislation which includes a provision that would hold the current insurer responsible to extend coverage for an extra six months if the policy holder, with a disability, was dropped and no similar coverage was available elsewhere. This key provision will allow policy holders to continue receiving their treatment, medication and other vital medical necessities while providing them with enough time to negotiate coverage with other insurers.

The bill also creates a private right of action against insurers who do not follow the proper procedure for discontinuing a class of policies. Policyholders can trigger a review by the Insurance Department Superintendent by submitting evidence that an insurer is dropping a class of policies as a pretext for dropping an individual policyholder or with the intent to drop an individual policyholder.

“This legislation is crucial to protecting the welfare of the insured,” said Senator Huntley. “Insurers can no longer use odious backdoor tricks to avoid covering those who need it the most, at a time when coverage is most essential. At the very least, policyholders should have some peace of mind regarding the coverage of their illnesses.”

Policyholders can now rest assured that if insurers do not follow the proper procedures that are required of them, they will be met with harsh consequences. The insurer will be made liable to provide the former policyholder for compensatory damages that arises as a result of the unlawful discontinuance of service. They will also be held responsible for any reasonable

attorneys' fees that will be associated with the former policyholder's case if brought to the attention of the courts.

The law is named for Ian Pearl, who was dropped by his insurance carrier. Mr. Pearl required around-the clock nursing care due to muscular dystrophy, a benefit that was covered by his insurance company. The insurer took his claims history, along with other severely ill and disabled policyholders into account when deciding which class of policies to terminate. They referred to cases like Mr. Pearl's as "dogs" to get rid of.

Ian's Law will make sure that this type of practice is put to an end and ensure that no other individual will become prey to these predatory policies. It will allow policyholders to maintain some control in order to protect themselves against these abusive insurance policies. This legislation will toughen enforcement of the current law that bars insurers from dropping policyholders due to their claims experience or health status, or the claims experience or health status of another policyholder in the same class.