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THE SENATE STATE OF NEW YORK



JAMES L. SEWARD

SENATOR, 51ST DISTRICT

**CHAIRMAN, MAJORITY PROGRAM
DEVELOPMENT COMMITTEE**

CHAIRMAN
INSURANCE COMMITTEE

COMMITTEES

RULES

FINANCE

EDUCATION

HIGHER EDUCATION

AGRICULTURE

HEALTH

MENTAL HEALTH

December 31, 2017

Honorable John J. Flanagan
President Pro Tempore and Majority Leader
New York State Senate
Albany, NY 12247

Dear Senator Flanagan:

It is my pleasure to present the annual report of the Senate Standing Committee on Insurance for the year 2017, pursuant to Senate Rule VII, section 4 (e).

The 2017 session was very productive, resulting in the approval of a number of insurance-related initiatives. The Senate Standing Committee on Insurance focused on advancing policy that would have a positive impact on both New York consumers and the insurance industry, which is so important to our state's economy.

In the health insurance area, the Senate advanced legislation that enhances insurance coverage for breast cancer screening, making it more accessible and affordable. Additionally, the legislature approved a measure to make insurance product discontinuance notices consistent across not for profit, HMO, group, and commercial health plans. The new law provides the consumer a more clear timeframe for selecting an alternative product. In the property/casualty insurance area, the Senate passed legislation to help licensed insurers meet the needs of their New York-based, multi-national business customers, thereby allowing New York to continue to function as a center for international business transactions. In the life insurance arena, the legislature passed a bill that would help address long-term care expenses by refining long-term care triggers for the qualification of an accelerated death benefit, providing an additional financial tool that families may utilize. Furthermore, the Senate advanced legislation that provides for greater savings/retirement investment by providing for automatic annuity dividend reinvestment, which allows individuals to add smaller sums to their annuity contracts by way of dividend distributions.

Finally, I would like to express my appreciation for the hard work and assistance of my staff and fellow committee members, including Ranking Minority Member Senator Neil Breslin. I acknowledge and look forward to your continued support and leadership in this important area that remains a cornerstone of New York's financial services industry.

Sincerely,

JAMES L. SEWARD
Chairman



2017 ANNUAL REPORT
OF THE
NEW YORK STATE SENATE
STANDING COMMITTEE ON INSURANCE

SENATOR JAMES L. SEWARD, CHAIRMAN

Committee Members

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Senator Jesse E. Hamilton
Senator Frederick J. Akshar
Senator Christopher L. Jacobs
Senator Andrew J. Lanza
Senator William J. Larkin
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Senator Terrence P. Murphy
Senator Thomas E. O'Mara
Senator Elaine R. Phillips
Senator Diane J. Savino
Senator Susan J. Serino

Senator Neil Breslin, Ranking
Senator John E. Brooks
Senator Timothy Kennedy
Senator George Latimer
Senator Gustavo Rivera
Senator Kevin Parker

Staff

Natalie A. Bernardi, Esq., Committee Director/Counsel
Laurie Heimroth, Committee Clerk

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HEALTH INSURANCE

S.425 (Seward) – Small Group Size Repealer

This legislation conforms the insurance law definition of “small group” with the definition of “small employer” under the recently enacted federal PACE Act.

6/19/17 Passed Senate

S.704 (Ortt) – Health insurance for prosthetic devices

This bill requires health insurers that provide medical, major medical, or similar comprehensive type coverage include coverage for prosthetic devices for veterans of the armed forces who are residents of New York when such devices are deemed medically necessary for the patient's rehabilitation.

6/20/17 Passed Senate

S.1783 (Klein) – Wellness Program Participation

Authorizes health insurers to provide actuarially appropriate reductions in health insurance premiums for participation in a qualified wellness program.

6/19/17 Passed Senate

S.2168 (Serino) – Lyme and other tick-borne related diseases coverage

This bill requires the New York State Health Care Quality and Cost Containment Commission to meet each year, and to submit a report on the impact of providing insurance coverage for Lyme and other tick-borne related diseases.

5/15/17 Passed Senate

S.2251 (Hannon) – Peer support program confidentiality

This bill prohibits disclosure of statements made in conjunction with a peer support program or during a peer support meeting.

6/21/17 Passed Senate

S.3790 (Krueger) – Emergency contraception drug insurance coverage

This bill amends the insurance law to require insurance coverage of over-the-counter emergency contraceptives obtained without a prescription and to require such insurance coverage without cost-sharing.

5/1/17 Reported and committed to Health

S.4150 (Griffo) – Mammography screening

This Bill requires health insurance coverage for mammography by breast tomosynthesis.

11/29/17 Chapter 414

S.4241-A (Seward) – Protections from excessive hospital emergency charges

This bill subjects hospital charges for emergency services to the independent dispute resolution process established to protect against excessive emergency charges.

5/22/17 Reported from committee, Cal. 1078

S.4546 (Seward) – Modernizing the anti-rebating and inducement law

This legislation allows insurance producers to provide additional services relating to the interpretation, management and communication of the insurance policy and its resulting costs. This bill assists insurers and employers in the development and implementation of care coordination services and other incidental or ancillary programs and services.

4/26/17 Passed Senate

S.5723 (Seward) – Discontinuance notice uniformity

This legislation makes insurance product discontinuance notices consistent across not for profit, HMO, group, and commercial health plans.

9/13/17 Chapter 317

S.5779-A (Hannon) – Coverage disclosure

This bill requires that health plans clearly identify to a provider the product an individual is enrolled in for health insurance purposes.

6/21/17 Committee discharged to Rules

S.5890-A (Seward) – Health savings account pilot program extender

This bill extends the provisions which allow HMOs to offer to certain municipalities a group high deductible health plan in conjunction with a health savings account.

6/19/17 Passed Senate

S. 6496-A (O'Mara) – Uninsured dental services

This bill prevents insurance companies from including in their contracts any provisions that relate to or affect dental services that they do not insure.

12/18/17 Veto Memo. 237

S.6572-A (Seward) – Definition of small group

This bill would extend for one additional year, until December 31, 2019, the grandfathering of mid-sized groups with 51-100 employees, members or subscribers that currently self-fund with stop loss coverage, as long as they keep their coverage in effect.

10/23/17 Chapter 370

S.6624 (Seward) – Rating of individual and small group health insurance policies

This bill would allow health plans to use the “file and use” methodology for any adjustments to a health insurance rate filing or application for commercial community rated products.

6/21/17 Passed Senate

LIFE INSURANCE

S.426 (Seward) - Interstate Insurance Product Regulation Compact

Allows New York to join the Interstate Insurance Product Regulation Compact. This streamlines the regulation of certain life insurance products and provides for uniformity among the compacting states.

5/24/17 Passed Senate

S.2077 (Seward) – Direct response marketing of life insurance

This bill removes the requirement for delivery of "preliminary information" and facilitates delivery of certain other disclosure documents at or prior to policy delivery. These amendments streamline the process for issuing life insurance products in the direct market (e.g., phone, mail, internet sales), which is a crucial and growing segment of the insurance marketplace.

5/2/17 Passed Senate

S.2095 (Seward) – E-voting for domestic mutual life insurance companies

This legislation provides for electronic voting and delivery of election materials in an uncontested board election of directors of domestic mutual life insurance companies.

9/13/17 Chapter 309

S.2114-B (Seward) – Accelerated life insurance payments for certain chronic conditions

This bill amends the insurance law to refine long-term care triggers for qualification for an accelerated death benefit under a life insurance policy.

9/12/17 Chapter 300

S.2525-B (Seward) – Annuity dividend reinvestment

This bill amends the insurance law to clarify that for purposes of participating income annuity contracts, the policyholder (annuitant) may elect to automatically reinvest the dividend back into the annuity contract.

9/12/17 Chapter 297

S.6439-A (Seward) – Principle based reserves

This bill would amend the Insurance Law to conform to the laws of other states by allowing principle based reserving for certain life insurance policies issued on or after January 1, 2018.

6/20/17 Passed Senate

PROPERTY/CASUALTY INSURANCE

S.427 (Seward) – Enacts the “personal motor vehicle sharing act”

The purpose of this legislation is to provide insurance coverage for vehicle owners and renters participating in a personal vehicle sharing program.

2/14/17 Reported from Committee, Cal. 254

S.696 (Seward) – Information sharing to combat auto insurance fraud

This legislation provides immunity for reports of suspected insurance fraud made by or to organizations specifically dedicated to the investigation and prosecution of insurance fraud.

6/19/17 Passed Senate

S.1314-A (Seward) – Continuing education for agents, brokers and adjusters

This legislation amends the insurance law to eliminate the need for insurance agents, brokers, adjusters, consultants, and intermediaries to take duplicate continuing education courses for both their individual and agency insurance licenses.

9/12/17 Chapter 274

S.1478 (Seward) – Mortgage Guaranty Insurance

This bill eliminates the reinsurance limitation currently imposed on mortgage guaranty insurers (MGI) which prohibits coverage of more than 25% of a borrower's mortgage indebtedness to an insured lender unless the MGI obtains reinsurance for amounts over that 25% limit.

10/23/17 Chapter 373

S.1594 (Latimer) – Disaster Task Force

The bill creates a task force to examine and report on whether policyholders and communities have adequate insurance coverage and if they are able to rely upon that coverage in the event of a disaster. The task force is also charged with identifying ways state and local agencies, such as DFS and the Department of Homeland Security and Emergency Services, can assist in such response.

3/20/17 Reported to Finance

S.1859 (DeFrancisco) – Motor Vehicle Coverage

This bill exempts vehicle glass repair shops from Section 2610 subsection (c) of the Insurance law to reflect the nature and volume of glass repair.

6/21/17 Chapter 36

S.2746 (Golden) – Utilization of regional cost data

This bill would require an insurer and independent adjuster to adjust certain claims made under an insurance policy that provides coverage for loss or damage to property using cost data appropriate for the region of the state where the loss or damage occurred.

6/14/17 Committee discharged to Rules

S.3665 (Klein) – Reduction of motor vehicle insurance fraud and theft

This bill grants the department of financial services the authority to investigate fraudulent activities in the motor vehicle insurance market and implements applicable penalties.

6/15/17 Passed Senate

S.3889 (Seward) – The Title Insurance Assessment Relief Act

This legislation provides that New York-domiciled licensed title underwriters shall be assessed on the net premiums retained on policies issued for property located within New York State.

2/14/17 Reported and committed to Finance

S.3959-A (Seward) – Expands the role of licensed insurance brokers

This bill amends Chapter 64 of 2015 to provide that a licensed insurance broker may engage in certain activities with respect to the issuance of property/casualty insurance policies or contracts by an alien insurer to a multinational entity resident outside the U.S.

11/29/17 Chapter 431

S.3960 (Seward) – Continuing education credits

This legislation permits insurance producers to receive continuing education credit for active membership in a statewide professional insurance producer association.

6/21/17 Passed Senate

S4010A (Seward) – Organization of assessment corporations

This bill clarifies that assessment cooperative property and casualty insurance companies are authorized to write umbrella insurance policies and standalone liability coverage.

6/19/17 Passed Senate

S.4420 (Golden) – Retroactive cancellations

This legislation permits an insurer to retroactively cancel an auto insurance policy within the first 60 days if the initial premium payment was rejected due to the nonexistence or unauthorized use of a bank account or unauthorized use of a credit card account.

6/8/17 Passed Senate

S.4654 (Seward) – Free Trade Zone modernization

This bill modernizes the insurance law by repealing the requirement that business be underwritten and transacted from an office within New York State to be eligible for placement in the Free Trade Zone.

6/13/17 Passed Senate

S.4719 (Seward) – Commercial modernization

This bill modernizes the regulation of commercial lines insurance by expanding the list of lines of business exempt from rate and form filing requirements. This bill promotes competitive property and casualty insurance markets for business-to-business insurance transactions.

6/5/17 Reported and committed to Rules

S.5644-B (Seward) – Increased supplementary uninsured/underinsured motorist (SUM) insurance coverage

This bill provides that the required amount of supplementary insurance on individual's policies must be equal to the bodily injury liability insurance coverage limit, unless the individual affirmatively elects lower coverage for themselves.

12/18/17 Chapter 490, with approval #56

S.5806 (Seward) – Insurance law extender

This bill extends several provisions of the property/casualty insurance availability act to promote stability of the property/casualty insurance market.

6/29/17 Chapter 69

S.5847 (Seward) – Enhancing service contract provisions

This bill allows New York State registered service contract providers to issue service contracts that include meaningful protection from unanticipated charges at lease-end related to excess use or wear and tear of a leased vehicle.

6/15/17 Passed Senate

S.5970 (Klein) – Fraud prevention measures

This bill seeks to reduce the incidence of auto insurance fraud including fraud committed by those who misrepresent where they live, operate their automobile, and garage such vehicle for insurance coverage purposes.

6/7/17 Passed Senate

S.6010 (Ranzenhofer) – Anti-arson applications

This bill makes anti-arson application provisions applicable to only cities with a population over one million persons.

9/12/17 Chapter 289

S.6410 (Ritchie) – Flood insurance notice

This bill requires the department of financial services to publish information about flood insurance and how it relates to standard home-owners insurance policies in New York and necessary contact information such as their disaster hotline.

6/15/17 Passed Senate

S.6612-A (Seward) – Wireless communication equipment insurance

This bill updates the limited lines licensing law with respect to wireless communications equipment insurance.

11/29/17 Veto Memo 203

S.6665 (Seward) – Reporting by the superintendent of financial services

This bill extends the requirement that the superintendent submit a report to the legislature with respect to noncommercial property/casualty insurance, regarding the number of new insureds, non-renewed insureds, and business written by each insurer in each rating territory of each such insurer, and in each case, the class of insureds affected.

10/23/17 Chapter 395

S.6704 (Seward) – Clarification on the prohibition of commissions and rebates

This bill clarifies that providing a benefit with the intention to compensate or offer compensation, directly or indirectly, for any past or present placement for a particular piece of title insurance business by a title insurance corporation, agent, or representative is a prohibited illegal inducement under section 6409(d) of the Insurance Law.

6/19/17 Passed Senate