



# 2017

# ANNUAL REPORT



New York State Assembly

**Carl E. Heastie**

*Speaker*

*Committee on*  
**Insurance**

**Kevin A. Cahill**

*Chair*



KEVIN A. CAHILL  
Assemblymember 103<sup>rd</sup> District

CHAIR  
Assembly Insurance Committee

## THE ASSEMBLY STATE OF NEW YORK ALBANY

COMMITTEES  
Ways and Means  
Economic Development, Job Creation,  
Commerce & Industry  
Ethics and Guidance  
Health  
Higher Education

December 15, 2017

The Honorable Carl Heastie  
Speaker of the Assembly  
Room 932 – Legislative Office Building  
Albany, New York 12248

Dear Speaker Heastie:

I hereby submit to you the 2017 Annual Report for the Committee on Insurance. I am pleased to report that, under your great leadership and thanks to the due diligence and dedication of the members of the committee, the Committee had a productive session.

Each year the Committee examines a wide range of topics in numerous categories of insurance including health, life, property and casualty, auto and title. The Committee works to provide that the NYS Insurance law contains appropriate protections to ensure that companies doing business in this State are healthy and competitive, most importantly, that policyholders are always afforded essential consumer protections.

Throughout the year, the Committee strove to ensure that the essential health benefits required by the Affordable Care Act remain available to all policy holders. To that end, the Committee reported, and the Assembly once again passed, legislation that would require health insurance policies to include coverage of contraceptive drugs, devices and products as well as voluntary sterilization procedures, contraceptive education and counseling and related follow up services. This bill further prohibits any cost-sharing requirements or other restrictions or delays with respect to this coverage. The Assembly also passed legislation which would require health insurers to provide coverage for diagnostic treatment of infertility including procedures for in vitro fertilization and other fertility preservation treatments.

The Committee remained steadfast in passing measures that expand access to breast cancer screenings. The Assembly approved crucial legislation that would require health insurers to provide coverage for an annual mammogram for persons aged thirty-five through thirty-nine upon the recommendation of a physician. Furthermore, the

Assembly passed clarifying legislation requiring health insurers to provide coverage for mammography screenings provided by breast tomosynthesis. Given how devastating breast cancer can be, it is imperative that individuals have access to advanced screening options.

In the Assembly's continued efforts to ensure that patients are put before profit, the Committee reported strong consumer protection measures. This included legislation clarifying that a health insurer cannot require an insured to use a mail order pharmacy if their local retail pharmacy agrees to the same reimbursement amount as the mail order pharmacy. People who depend on specialty medications for the treatment of their conditions have distinct needs when it comes to their medications. Individuals should have the option to obtain prescriptions in a manner that best serves their unique situation. This bill would ensure that pharmacy benefit managers shall not steer patients into mail order pharmacies by including in their contracts onerous terms and conditions that retail pharmacies are unable to meet.

As a result of over two years of negotiations, app-based ride-hailing companies, which have always been free to operate under existing laws that regulate taxi and limousine services, are now subject to a specific set of rules and regulations unique to their emerging industry. For the first time these companies serve passengers outside of New York City using their distinctive business model. This new market will be subject to 21st century insurance limits, background checks for drivers and protections for passengers including the requirement that every company have strong anti-discrimination policies.

In the area of auto insurance, the Assembly worked to pass a bill which educates consumers about the availability of supplementary uninsured/underinsured motorist (SUM) coverage. This new law requires auto insurers to provide motorists with a notice informing them of the availability of SUM coverage and the amount of coverage that can be purchased. The Assembly also extended the requirement that the Department of Financial Services (DFS) compile and submit a report regarding the rate of cancellations and nonrenewals of private passenger automobile insurance policies in order to provide greater clarity regarding the current status of how auto insurers are complying with the 2% rule.

In the area of life insurance, the Assembly passed numerous bills aimed at encouraging the use of modern technology, broadening access to life insurance products and supporting choice in financial planning. The Assembly also passed a bill which allows domestic mutual life insurance companies to offer their policyholders alternative methods of voting and delivery of election materials in uncontested elections. Furthermore, legislation was passed to allow life insurers to offer an accelerated death benefit without the requirement that they also be a qualified long-term care insurance carrier. This will provide policyholders with an additional option to fund their long-term care expenses. The Assembly also passed legislation which provides policyholders with an efficient means to reinvest dividend distributions into their annuity contract.

The Assembly also modernized aspects of the property and casualty insurance market by providing that an outdated anti-arson application no longer applies to cities outside of New York City. This update to the law will remove an unnecessary burden placed on property owners. The Assembly also passed legislation which clarifies that property and casualty insurance is also an authorized type of insurance that a licensed broker could bring to an alien insurer for placement with a multinational entity resident outside the United States. Recognizing that it is necessary for New York insurers to maintain a global presence; this bill provides the necessary flexibility for the state's insurance industry to remain competitive in the international marketplace.

The 2017 Session brought a number of achievements and we are already preparing for the important work that lies ahead in the coming year. Under your leadership, the Assembly Insurance Committee stands ready to meet the 2018 Session with a commitment to proposals that will further aid consumers and improve the insurance industry within the state of New York. I thank the members and staff of the Committee for their hard work during this past session. Furthermore, I again thank you, Mr. Speaker, for your leadership and continued support of legislation that protects New York's consumers.

Sincerely,

A handwritten signature in cursive script that reads "Kevin A. Cahill".

Kevin A. Cahill, Chair  
New York State Assembly  
Standing Committee on Insurance

NEW YORK STATE ASSEMBLY  
STANDING COMMITTEE ON INSURANCE

Kevin A. Cahill, Chair

▪ MEMBERS ▪

Majority

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Steven Cymbrowitz  
Charles D. Lavine  
Francisco P. Moya  
Andrew D. Hevesi  
James G. Skoufis  
Phillip G. Steck  
Marcos A. Crespo  
Latoya Joyner  
Erik M. Dilan  
Pamela J. Hunter  
Aravella Simotas  
Latrice M. Walker  
Yuh-Line Niou

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Stephen M. Hawley  
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Raymond W. Walter  
Andrew R. Garbarino

▪ COMMITTEE STAFF ▪

Jennifer Best, Assistant Secretary for Program and Policy  
Christopher Greenidge, Associate Counsel  
Fletcher Whyland, Analyst  
Omar McGill, Committee Assistant  
Laurie Wheelock, Legislative Director  
Joseph Theall, Committee Clerk  
Sarah Conklin, Program and Counsel Secretary

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## ▪ 2017 - 18 Budget ▪

The Committee worked earnestly during the 2017-18 Budget negotiations to ensure that the New York State of Health insurance exchange remained funded without making it a charge to policyholders. At the same time, the Assembly fought to preserve the transitional Entertainment Workers Healthcare Subsidy which provides affordable healthcare for workers in this important sector of the New York State economy as these workers move into the Health Exchange.

In order to protect medical providers and keep healthcare affordable for New Yorkers, the Assembly also supported provisions which facilitate access for providers to medical malpractice coverage. The Enacted Budget extended the Hospital Excess Liability Pool for an additional year and continued eligibility for all providers in the pool for coverage until June 30, 2017.

The Assembly also passed legislation which now permits Transportation Network Companies (TNCs) to operate in New York State while ensuring that drivers, passengers and others have access to consumer protections and adequate insurance coverage. Minimum insurance requirements for the period when a driver is logged in to a TNC application but has not accepted or picked up a passenger is set at \$75,000 for death and bodily injury per person, \$150,000 for death and bodily injury per incident and \$25,000 for property damage and coverage. When a driver has accepted a passenger through a TNC application and when that driver is transporting a passenger there is a minimum of \$1,250,000 liability insurance along with matching supplementary uninsured/underinsured motorist coverage.

The Assembly ensured that TNCs are required to adopt a policy of non-discrimination on the basis of factors such as destination, race, color, national origin, religious belief, practice or affiliation, sex, disability, age and sexual orientation. All TNCs seeking to operate in New York State are also required to implement and maintain a policy providing accessibility to passengers with a disability and accommodation of service animals. In order to guarantee that drivers are properly compensated for injuries related to TNC activity, all TNC drivers have been added to the existing New York Black Car Operators' Injury Compensation Fund, Inc.

▪ HEALTH INSURANCE ▪

A. Coverage for Concurrent Symptoms

*A.1129 Hunter / S.3568 Hannon*

This bill would expand the current prior authorization exception for surgical and invasive procedures to include concurrent symptoms and side effects.

This bill passed the Assembly.

B. The Comprehensive Contraception Coverage Act

*A.1378 Cahill / S.3668 Bonacic*

This bill would require health insurance policies to include coverage of contraceptive drugs, devices and products as well as voluntary sterilization procedures, contraceptive education and counseling and related follow up services and would prohibit any cost-sharing requirements or other restrictions or delays with respect to this coverage. Additionally, this bill would allow a pharmacist to administer a non-patient-specific prescription to an insured person.

This bill passed the Assembly.

C. Mental Health Practitioners

*A.2163 Bronson / S.3952 Young*

This bill would require health insurers to provide coverage for outpatient treatment by licensed mental health counselors, marriage and family therapists, creative arts therapists and psychoanalysts.

This bill was advanced to the Third Reading Calendar.

D. Midyear Drug Formulary Changes

*A.2317-A Peoples-Stokes / S.5022-A Serino*

This bill would require that health care plans with a drug formulary containing two or more tiers of drug benefits with different deductibles, copayments or coinsurance may not move a drug to a tier with higher patient cost sharing during the enrollment year and that such plans shall not add new or additional formulary restrictions during the enrollment year. Furthermore, this bill would provide that plans may move a prescription drug to a tier with a larger copayment, coinsurance and different deductible only if an AB-rated generic equivalent drug is added to the formulary at the same time.

This bill passed the Assembly.

E. *In Vitro Fertilization*

*A.2646-A Simotas / S.3148-A Savino*

This bill would require health insurers to provide coverage for diagnostic treatment of infertility including procedures for in vitro fertilization and other fertility preservation treatments. This bill would also repeal age requirements and provisions exempting in vitro fertilization, gamete intrafallopian tube transfers or zygote intrafallopian tube transfers from coverage requirements.

This bill passed the Assembly.

F. *Mail Order Pharmacies*

*A.3119 Joyner / S.1743 Golden*

New York's Insurance Law currently allows consumers to purchase medication at participating local retail pharmacies at the same cost-sharing amount as mail order pharmacy coverage under their health insurance policies. Insureds may purchase their prescription drugs at an in-network, non-mail order retail pharmacy without any additional cost-sharing provided that the pharmacy agrees to the same contractual terms and conditions that the insurer has established with the in-network mail order and non-retail specialty pharmacies.

This bill would clarify that a health insurer cannot limit an insured to using only a mail order pharmacy process if the local retail pharmacy agrees to the same reimbursement amount as the mail order pharmacies. Recognizing that retail and mail order vendors operate differently, this bill would also remove the existing requirement that the local retail pharmacy also agree to the same terms and conditions as the mail order pharmacies before an insured can use that delivery method.

This bill passed the Assembly.

G. *Synchronization of Multiple Prescriptions*

*A.4306-A Quart / S.5196-A Lanza*

The bill would provide coverage for a pharmaceutical claim for less than a 30-day supply for patients enrolling in medication synchronization programs as well as provide that a pro-rated cost-sharing rate shall be permitted and applied to prescriptions that are dispensed for less than a 30-day supply for the purpose of synchronizing the covered individual's chronic medication. This bill also provides that drug coverage shall not be denied for a partial fill for any drug prescribed for the treatment of a chronic illness made in accordance with a medication synchronization plan among the insured, a health care practitioner and a pharmacist

This bill passed the Assembly.

*H. Lyme Disease Study*

*A.4863-A Barrett / No Same As*

This bill would require the (DFS), in consultation with the Department of Health (DOH), to study and report upon the adequacy of insurance coverage for the treatment of Lyme disease and other tick-borne related diseases. The study shall include the prevailing reasons for the denial of insurance coverage for the treatment of Lyme disease and other tick-borne related diseases, the number of insureds in need of long term care of Lyme disease and other tick-borne related diseases and recommendations to ensure that there is adequate coverage for Lyme disease, including long term care of Lyme disease and other tick-borne related diseases within the State.

This bill passed the Assembly.

*I. Breast Tomosynthesis*

*A.5677 Seawright / S.4150 Griffo  
Chapter 414 of the Laws of 2017*

This law requires health insurers to provide coverage for tomosynthesis (3-D mammograms).

*J. Eating Disorders*

*A.6396-B Rozic / S.6045-B Marchione*

This bill would clarify that health insurers are required to provide coverage for eating disorders including pica, rumination disorder, avoidant/restrictive food intake disorder, anorexia nervosa, bulimia nervosa, binge eating disorder, other specified feeding or eating disorder and any other eating disorder contained in the most recent version of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

This bill passed the Assembly.

K. Annual Mammograms

*A.6731-B Jean-Pierre / S.6586 Boyle*

This bill would require health insurers to provide coverage for an annual mammogram for covered persons aged thirty-five through thirty-nine upon the recommendation of a physician.

This bill passed the Assembly.

L. Discontinuance Notices

*A.7737 Cahill / S.5723 Seward*  
*Chapter 317 of the Laws of 2017*

This law conforms the timeframe required for nonprofit health insurers to provide written notice to subscribers prior to discontinuing a contract from five months to 90 days.

M. Substance Use Disorder Medications

*A.7979-A Quart / S.6674 Amedore*

This bill would repeal the requirement that health insurers provide coverage for a five-day emergency supply of medication without prior authorization to address symptoms related to withdrawal and add that health insurers shall be required to provide coverage for all buprenorphine products, long acting injectable naltrexone, or methadone without prior authorization for the detoxification or maintenance treatment of a substance use disorder.

This bill passed the Assembly.

N. Neonatal Intensive Care

*A.8051 Gottfried / S.6053 Hannon*  
*Chapter 389 of the Laws of 2017*

This law prohibits health insurers from requiring a prior authorization determination for services provided in a neonatal intensive care unit of a general hospital.

O. Health Insurance Identification

*A.8063-A Cymbrowitz / S.5779-A Hannon*

This bill would require health insurers to identify the specific type of plan or product the policy-holder or covered person is enrolled in: Medicaid coverage, CHIP, basic health program coverage pursuant to Section 369-gg of SSL, coverage purchased through NY Health Exchange or any other fully insured product regulated by the state. This bill also prohibits discrimination based on the source of payment.

This bill was advanced to the Third Reading Calendar.

P. Uninsured Dental Services

*A.8141-A Cymbrowitz / S.6496-A O'Mara*  
*Veto 237 of 2017*

This bill would prohibit an insurer or managed care company from including in a contract any provisions that relate to or affect dental services that are not covered by the contract.

Q. Stop-Loss, Catastrophic, and Reinsurance Policies

*A.8264 Cahill / S.6572-A Seward*  
*Chapter 370 of the Laws of 2017*

Chapters 588 and 589 of 2015, as amended by Chapter 12 of 2016, grandfathered 51-100 member groups which had self-insurance with stop-loss coverage as of January 1st, 2015 as long as they kept their coverage in effect and also exempted municipal corporations with member employers having 100 or fewer employees from small group rating standards. This bill would extend these provisions for an additional year.

## ▪ PROPERTY / CASUALTY INSURANCE ▪

### A. Multi-National Companies

*A.97-A Cahill / S.3959-A Seward*

*Chapter 431 of the Laws of 2017*

This law provides that property and casualty insurance is also an authorized type of insurance that a licensed broker could bring to an alien insurer for placement with a multinational entity resident outside the United States. Specifically, this bill adds “property and casualty insurance” to Chapter 64 of 2015 which provided that a life insurance and annuity, or accident and health broker may engage in certain specified activities.

This bill passed the Assembly.

### B. Prior Review of Policy

*A.157 Cahill / S.2812 Seward*

This bill would require an insurer, agent or broker to provide to consumers in the market for homeowners and certain commercial policies a copy of the policy prior to the time such policy is sold or purchased. The potential insured must have sufficient time to read and review the policy.

This bill was advanced to the Third Reading Calendar.

### C. Redlining

*A.308 Gantt / No Same As*

This bill would prohibit an insurer from refusing to issue or renew, or from limiting the type or amount of coverage offered for an automobile or homeowners’ policy based upon the location, age, or market value of the property unless the decision is based on sound actuarial data and is consistent with its treatment of risks of substantially similar hazards in all geographical locations it serves in this state. This bill would also set up a grievance procedure for consumers, agents and brokers who feel that an insurer has violated these provisions to file a complaint with the Superintendent of the DFS.

This bill was advanced to the Third Reading Calendar.

*D. Standardization of Policy Terms  
A.391 Cahill / S.2809-A Seward*

This bill would require the Superintendent of the DFS to promulgate regulations which provide standardized definitions for commonly used terms and phrases found in homeowners policies and commercial lines policies that provide coverage for loss or damage to real property, personal property or other liabilities for loss or damage to property. Insurers would be required to use the standardized terms and phrases in policies. The bill would also allow insurers to use alternative definitions at the discretion of the Superintendent so long as such definitions are not any less favorable to the policyholder or claimant than those required under the regulations.

This bill passed the Assembly.

*E. Adjusters  
A.808 Perry / S.2746 Golden*

This bill would establish that insurers and all independent adjusters that are issued a temporary permit to adjust claims within New York State must utilize cost data that is regionally appropriate for the area of the state where the loss or damage occurred. Furthermore, this bill would make it an unfair claims settlement practice for insurers to artificially lower cost data used for adjusted claims or use cost data that is not appropriate for the region of the state where the loss occurred.

This bill was advanced to the Third Reading Calendar.

*F. Disasters Task Force  
A.1643-A Skoufis / S.1594-A Latimer*

This bill would create a twenty-three member task force to examine how insurers who write homeowners and commercial insurance policies respond to disasters, in what ways state and local agencies, such as DFS, can assist claimants in such response and whether policyholders and communities have adequate insurance. The members of the task force would include state and local government officials, as well as representatives from the insurance industry and consumer advocacy groups. The task force would be required to submit a report to the Governor and the Legislature on its findings and recommendations one year after the effective date.

This bill passed the Assembly.

G. Boating Safety Courses

*A.2336 Thiele / S.2985 LaValle*

This bill would authorize the Superintendent of the DFS to provide rate reductions to liability insurance policies upon the completion of a boating safety course or an advanced boating safety course which has been approved by the Commissioner of Parks, Recreation, and Historic Preservation.

This bill passed the Assembly.

H. Protections from Insurer Discrimination Based on Breeds of Dogs

*A.4225 Glick / S.2075 LaValle*

This bill would prohibit insurers from refusing to issue or renew a homeowner's liability insurance policy from canceling such a policy and from charging higher premiums based solely on the breed of dog owned by the policyholders unless such dog is designated as "dangerous" pursuant to the Agriculture and Markets Law or if prior paid claims have incurred as a result of such dog.

This bill passed the Assembly.

I. Anti-Arson Applications

*A.6217 Ryan / S.6010 Ranzenhofer*  
*Chapter 289 of the Laws of 2017*

This law provides that property owners outside of New York City no longer have to submit an anti-arson application to the DFS.

J. Lead Paint Exclusion

*A.7786 Ryan / No Same As*

This bill would prohibit insurers licensed to provide liability coverage to rental property owners from excluding coverage for losses caused by exposure to lead-based paint. This prohibition would take effect twenty-six months following the immediate effective date. The bill also provides that all previously approved exclusions for losses caused by exposure to lead-based paint shall be terminated twenty-six months after the effective date.

This bill was advanced to the Third Reading Calendar.

*K. Property & Casualty Insurance Availability Act  
A.7861 Hunter / S.5806 Seward  
Chapter 69 of the Laws of 2017*

This law extends provisions of the Property and Casualty Insurance Availability Act through 2020:

- Provisions allowing insurers to continue using file-and-use for insurance rates in the property/casualty insurance market;
- Provisions extending the authority of DFS to place annual limitations on rate increases and decreases which can take effect without prior approval;
- The prohibition on insurers non-renewing more than 2% of their auto policies in a particular rating territory in a year unless they write two new policies for every additional policy they non-renew;
- Provisions requiring the rates for insurance policies covering for-hire vehicles to be subject to prior approval from DFS;
- Provisions requiring insurers to share with policyholders any excess profits that are attributable to motor vehicle liability policies; and
- The authorization of the New York Property Insurance Underwriting Association (NYPIUA) to write coverage in underserved markets.

*L. Private Right of Action  
A.8004 Weinstein / S.6556 Seward*

This bill would allow injured persons to bring an action against a liability insurer to recover the full amount of a judgment against the insured in excess of the policy limits where such insurer failed to engage in prompt and fair settlement of the claim.

This bill was advanced to the Third Reading Calendar.

▪ **AUTO INSURANCE** ▪

A. Vehicle Glass Repair Claims

*A.578 Magnarelli / S.1859 DeFrancisco*

*Chapter 36 of the Laws of 2017*

This law exempts insurers providing collision or comprehensive coverage from the requirement to notify policyholders of their right to have their vehicle repaired at the shop of their choice for claims solely involving window glass.

B. Supplementary Uninsured/Underinsured Motorist (SUM) Coverage

*A.8519-A Morelle / S.5644-B Seward*

*Chapter 490 of the Laws of 2017*

This law educates consumers about the availability of supplementary uninsured/underinsured motorist (SUM) coverage. It would allow SUM coverage to be purchased in the same amount as a motorist's bodily injury coverage and require insurers to provide motorists with a notice informing them of the availability of SUM coverage and the amount of SUM coverage that can be purchased.

C. Pending Auto Claims

*A.635 Perry / S.3757 Hamilton*

This bill would prohibit insurers from canceling, non-renewing or conditioning a renewal of a private passenger automobile policy upon the change of limits or eliminations of any coverage on the basis that a claim filed by an insured with an insurer is in dispute or that a complaint by the insured against the insurer resulting from the disputed claim is pending with the department.

This bill passed the Assembly.

D. Minimum Coverage Study

*A.3787 Cahill / S.5883 Seward*

This bill would require the DFS to conduct a study of the current mandatory minimum coverage amounts and coverage options for private passenger auto insurance and to assess the impact on premiums of increasing such amounts.

This bill passed the Assembly.

*E. Automobile Insurance Report  
A.8306 Pellegrino / S.6665 Seward  
Chapter 395 of the Laws of 2017*

This law provides that the superintendent shall continue to submit a report with respect to noncommercial property and 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 (including age and sex) affected to the Speaker of the Assembly, the Temporary President of the Senate, the Chair of the Assembly Insurance Committee and the Chair of the Senate Insurance Committee on or before June 30, 2020 and every two years thereafter.

▪ LIFE INSURANCE ▪

A. Annuity Dividend Reinvestment

A.7152-A Otis / S.2525-B Seward

Chapter 297 of the Laws of 2017

This law provides that owners of individual or group participating immediate annuity or individual or group participating deferred annuities may elect to reinvest annuity dividends by purchasing paid-up additions.

B. Alternative Methods of Voting in Uncontested Elections

A.7531-A Kavanagh / S.2095-A Seward

Chapter 309 of the Laws of 2017

This law allows domestic mutual life insurance companies, upon the approval of the Superintendent, to offer their policyholders alternative methods of voting and delivery of election materials in uncontested elections.

C. Accelerated Death Benefits

A.7584-B Crespo / S.2114-A Seward

Chapter 300 of the Laws of 2017

This law updates the insurance law to provide that insureds covered under a life insurance policy qualify for accelerated death benefits when certified by a licensed health care practitioner as chronically ill, without the requirement that a long term care insurer issue such policy.

▪ MISCELLANEOUS ▪

A. Continuing Education

*A.117-A Cahill / S.1314-A Seward  
Chapter 274 of the Laws of 2017*

This law streamlines the renewal of a business-entity license by eliminating the requirement of additional evidence of continuing education credits if all entity sublicensees have a valid and appropriate insurance license as of the entity license renewal date.

B. Foreign Fire Insurance Company Tax Requirement

*A.8314 Mayer / S.6670 Stewart-Cousins  
Chapter 499 of the Laws of 2017*

This law repeals the requirement that the Mutual Aid Association of the Paid Fire Department of the city of Yonkers pay 10% of tax collected from foreign fire insurance companies doing business in the City of Yonkers to the treasurer of the Fireman's Association of the state of New York for the support and maintenance of the Volunteer Firemen's Home at Hudson.

C. Ride-Hailing Effective Date

*A.7624 Cahill / S.5814 Ranzenhofer  
Chapter 34 of the Laws of 2017*

This chapter amendment to Chapter 59 of the Laws of 2017 amends the effective date of the ride-hailing provision from the 90th day to the 80th day after it shall have become law.

D. Inducements

*A.1711 Hevesi / S.4546 Seward*

This bill would clarify which services are exempted from the insurance anti-rebating and inducement laws. The bill lists the services that a licensed agent or insurance broker may provide if such services are provided in a fair and nondiscriminatory manner and incidental to a group or blanket policy or contract sold.

This bill was reported to the Rules Committee.

E. Mortgage Guaranty Insurance  
A.1953 Moya / S.1478 Seward  
Chapter 373 of the Laws of 2017

This law repeals the requirement a mortgage guaranty insurer from insuring more than 25% of a borrower's mortgage indebtedness to an insured lender unless the mortgage guaranty insurer obtains reinsurance for amounts over that 25% limit.

This bill passed the Assembly.

F. Personal Financial Information  
A.2532 Dinowitz / No Same As

This bill would make it an unfair claim settlement practice for insurers to demand as standard practice intrusive personal, financial and tax information of the insured to process ordinary theft claims unless there are special circumstances that warrant the disclosure of such documents in order to determine if the claim is fraudulent.

This bill was advanced to the Third Reading Calendar.

G. Domestic Violence Victims  
A.4060 Cymbrowitz / S.5396 Robach

This bill would allow a domestic violence victim covered by an insurance policy where another person is the policyholder to designate alternative contact information for the purpose of receiving insurance claim or billing information. The victim would have to provide to the insurance company a signed statement made under oath that he or she is a victim of domestic violence and that disclosing his or her contact information would endanger him or her. The insurance company would be prohibited from disclosing to the policyholder the victim's contact information and the contact information of any person providing health care services to the victim or from mailing any information to any address other than the address provided by the victim. This prohibition would remain in effect until a written request is made by the victim to cancel the withholding of information.

This bill passed the Assembly.

## ▪ OUTLOOK FOR 2018 ▪

For the 2018 legislative session, the Insurance Committee will continue to advance legislation that protects New York's consumers while also strengthening the insurance market in this state.

The Affordable Care Act (ACA) has expanded availability and increased affordability of health insurance while improving the overall quality of coverage. New York's marketplace provides affordable health insurance coverage to over 2.8 million enrollees while reducing the rate of uninsured New Yorkers to the lowest point in decades. Recent federal executive orders and congressional actions intended to weaken the ACA threaten the health insurance coverage of millions of New Yorkers and would have major state budgetary implications. Ensuring that New Yorkers have access to quality affordable health insurance coverage has always been the highest priority; that has not changed. With the leadership of the Speaker, the Standing Committee on Insurance and our colleagues in the Assembly are committed to protecting and building on these achievements.

The SFY 2017-18 Enacted Budget authorized Transportation Network Companies (TNCs) to operate in the state. The Insurance Committee will continue to monitor the expansion of this new industry into all of New York. The Committee looks forward to examining the findings and recommendations of the New York State Transportation Network Company Accessibility Task Force which has been charged with analyzing and advising on how to maximize effective and integrated transportation services for persons with disabilities in the TNC market. Likewise, the Committee also looks forward to the findings of the New York State Transportation Network Company Review Board which shall consider a multitude of issues related to the general operation of TNCs within the state such as anti-discrimination, economic impact, TNC driver permitting, local government impact and workers' compensation coverage.

The increasing number of Lyme and tick-borne related diseases in New York State highlights the need to examine the current status of the adequacy of insurance coverage related to this health epidemic. Lyme disease is the most common vector-borne illness in the United States, and New York is one of 14 states that account for 95% of cases in the United States. According to the New York State Department of Health, over 20,000 cases of Lyme disease were diagnosed between years 2012 to 2014. While sufferers of these tick-borne diseases require long-term treatment, health insurance companies have denied services related to necessary medical treatment. The Committee will continue to report legislation that requires the proper state agencies to review the problems regarding the present state of insurance coverage of tick-borne related diseases and provide the Legislature with recommendations on how to ensure that there is adequate coverage of these chronic conditions.

Title insurance protects real estate owners and lenders against any property loss or damage they might experience because of liens, encumbrances or defects in the title to

the property. In 2017, as part of proposed rulemaking to clarify and enforce sections of the Insurance law specific to title insurance, the DFS adopted new regulations intended to reduce costs for consumers when closing a real estate transaction.

Since the final adoption of these regulations, various stakeholders in the title insurance industry have brought a number of serious concerns to the Committee's attention. These include but are not limited to how insurers and agents will be able to market themselves following the final adoption, the requirement for insurers to restate six years of prior expenses and certify their compliance with the new regulations or agree to implement a five percent rate reduction for all categories of title insurance policies with no expiration date, as well as whether insurers, agents and title closers will be able to cover their costs due to the caps placed on certain categories of ancillary and discretionary fees. The Insurance Committee looks forward to hearing from all stakeholders involved in the title insurance industry in order to find a workable resolution. This hearing will provide the Insurance Committee with the valuable information necessary to determine how to reduce costs for consumers while maintaining a healthy and competitive title market.

With the Department of Financial Services recently announcing their intention to adopt a principle-based reserving for life insurers, the Insurance Committee looks forward to ensuring that any proposals to enact a new reserving standard shall retain appropriate protections afforded to consumers already contained within the New York State Insurance law. It is imperative that any new model intended to change long held reserving standards are set at appropriate levels to ensure the long-term solvency of companies operating in the life insurance market. To that end, it is also necessary to ensure that any process changing such standards is as transparent as possible and provides the Legislature the ability to examine the implementation and oversight of life insurance companies affected by the shifting standards.

## APPENDIX A 2017 SUMMARY SHEET

### Summary of Action on all Bills Referred to the Insurance Committee

	<u>ASSEMBLY</u> <u>BILLS</u>	<u>SENATE</u> <u>BILLS</u>	<u>TOTAL</u> <u>BILLS</u>
<b>BILLS REPORTED WITH OR WITHOUT AMENDMENT</b>			
TO FLOOR; NOT RETURNING TO COMMITTEE (FAVORABLE)	13		13
TO WAYS AND MEANS	5		5
TO CODES	20		20
TO RULES	12		12
TO JUDICIARY	0		0
TOTAL	50		50
<b>BILLS HAVING COMMITTEE REFERENCE CHANGED</b>			
TO Ways and Means                      COMMITTEE	0		0
TO Codes                                      COMMITTEE	0		0
TOTAL	0		0
<b>SENATE BILLS SUBSTITUTED OR RECALLED</b>			
SUBSTITUTED		10	10
RECALLED		0	0
TOTAL		10	10
<b>BILLS DEFEATED IN COMMITTEE</b>			
	0	0	0
<b>BILLS HELD FOR CONSIDERATION with a roll-call vote</b>			
	0	0	0
<b>BILLS NEVER REPORTED, HELD IN COMMITTEE</b>			
	253	23	276
<b>BILLS HAVING ENACTING CLAUSES STRICKEN</b>			
	8	0	8
<b>MOTIONS TO DISCHARGE LOST</b>			
	0	0	0
<b>TOTAL BILLS IN COMMITTEE</b>	311	33	344
<b>TOTAL NUMBER OF COMMITTEE MEETINGS HELD</b>	9		

**APPENDIX B  
CHAPTERS OF 2017**

<b>Bill/ Sponsor</b>	<b>Description</b>	<b>Final Action</b>
A.97-A / Cahill S.3959-A / Seward	Clarifies the kinds of activities licensed brokers can engage in with multinational companies with respect to property and casualty insurance.	Chapter 431
A.117-A / Cahill S.1314-A / Seward	Exempts insurance agents from taking duplicative continuing education courses to satisfy both agency and individual insurance licensing.	Chapter 274
A.578 / Magnarelli S.1859 / DeFrancisco	Exempts insurers providing collision or comprehensive coverage from the requirement to notify policyholders of their right to have their vehicle repaired at the shop of their choice for claims solely involving window glass.	Chapter 36
A.1953 / Moya S.1478 / Seward	Repeals a reinsurance requirement enacted for mortgage guaranty insurance companies.	Chapter 373
A.5677 / Seawright S.4150 / Griffo	Requires health insurers to provide coverage for tomosynthesis (3-D mammograms).	Chapter 414
A.6217 / Ryan S.6010 / Ranzenhofer	Provides that anti-arson application requirements apply only to cities with a population of one million or more.	Chapter 289
A.7152-A / Otis S.2525-B / Seward	Provides annuity owners the option to reinvest dividend distributions into an annuity contract.	Chapter 297
A.7531-A / Kavanagh S.2095-A / Seward	Allows domestic mutual life insurance companies to offer their policyholders alternative methods of voting and delivery of election materials in uncontested elections.	Chapter 309
A.7584-B / Crespo S.2114-B / Seward	Repeals the requirement that insureds must be issued a policy by a long term care insurer in order to qualify for accelerated death benefits.	Chapter 300
A.7624 / Cahill S.5814 / Ranzenofer	Amends the effective date of the ride-hailing provision provided by the SFY 2017-2018 Enacted Budget from the 90th day to the 80th day after it shall have become law.	Chapter 34
A.7737 / Cahill S.5723 / Seward	Reduces the timeframe required for nonprofit health insurers to provide written notice to subscribers prior to discontinuing a contract from five months to 90 days.	Chapter 317
A.7861 / Hunter S.5806 / Seward	Extends provisions of the property and casualty insurance availability act.	Chapter 69
A.8051 / Gottfried S.6053 / Hannon	Prohibits health insurers from requiring a prior authorization determination for services provided in a neonatal intensive care unit of a general hospital.	Chapter 389

A.8264 / Cahill S.6572-A / Seward	Extends for one year, provisions allowing for the sale of stop-loss coverage to certain small groups and exempting certain municipal corporations from small group rating standards.	Chapter 370
A.8306 / Cahill S.6665 / Seward	Extends the requirement that the superintendent submit a report to the Legislature with respect to noncommercial property and casualty insurance.	Chapter 395
A.8314 / Mayer S.6670 / Stewart-Cousins	Removes a requirement that the Mutual Aid Association of the Paid Fire Department of the city of Yonkers pay a 10% of tax collected from foreign fire insurance companies to the FASNY.	Chapter 499
A.8519-A / Morelle S.5644-B / Seward	Provides that SUM coverage may be purchased in the same amount as a motorist's bodily injury coverage and require insurers to provide motorists with a notice informing them of the availability of SUM coverage and the amount of SUM coverage that can be purchased.	Chapter 490

**APPENDIX C**  
**BILLS THAT WERE REPORTED IN 2017**

<b>Bill/ Sponsor</b>	<b>Description</b>	<b>Action</b>
A.97-A / Cahill S.3959-A / Seward	Clarifies the kinds of activities licensed brokers can engage in with multinational companies with respect to property and casualty insurance.	Chapter 431
A.117-A / Cahill S.1314-A / Seward	Exempts insurance agents from taking duplicative continuing education courses to satisfy both agency and individual insurance licensing.	Chapter 274
A.157 / Cahill S.2812 / Seward	Would require insurers, agents, and brokers to provide potential insureds with copies of homeowners and certain commercial insurance policies prior to the policy being purchased.	Advanced to Third Reading
A.308 / Gantt No Same As	Would prohibit discrimination in the issuance of homeowners' insurance policies and clarifies the prohibition of refusal to issue policies based solely on geographical location.	Advanced to Third Reading
A.376 / Cahill S.1066 / Seward	Provides the membership of the State Insurance Advisory Board and clarifies the factors that the Board may consider.	Chapter 10
A.391 / Cahill S.2809-A / Seward	Would require the DFS to promulgate regulations that would standardize the definitions of terms and phrases commonly used in homeowners and certain commercial insurance policies.	Passed Assembly
A.578 / Magnarelli S.1859 / DeFrancisco	Exempts insurers providing collision or comprehensive coverage from the requirement to notify policyholders of their right to have their vehicle repaired at the shop of their choice for claims solely involving window glass.	Chapter 36
A.635 / Perry S.3757 / Hamilton	Would prohibit insurers from canceling or refusing to renew or condition its renewal of automobile insurance policies on the bases that there is a pending complaint filed by the insured, or that a claim filed by the insured with the insurer is in dispute.	Passed Assembly
A.808 / Perry S.2746 / Golden	Would establish that all independent adjusters that are issued a temporary permit to adjust claims within NYS must utilize cost data that is regionally appropriate.	Advanced to Third Reading
A.1129 / Hunter S.3568 / Hannon	Would expand the current prior authorization exception for surgical and invasive procedures to include concurrent symptoms and side effects.	Passed Assembly

A.1378 / Cahill S.3668 / Bonacic	Would require health insurance policies to provide coverage for contraceptives and prohibit restrictions of such coverage.	Passed Assembly
A.1643-A / Skoufis S.1594-A / Latimer	Would create a task force to examine and report on how insurers respond to disasters.	Passed Assembly
A.1711 / Hevesi S.4546 / Seward	Would clarify which services are exempted from the insurance anti-rebating and inducement laws.	Reported to Rules
A.1953 / Moya S.1478 / Seward	Repeals a reinsurance requirement enacted for mortgage guaranty insurance companies.	Chapter 373
A.2163 / Bronson S.3952 / Young	Would require blanket health insurance policies to provide coverage for outpatient treatment by mental health practitioners.	Advanced to Third Reading
A.2317-A / Peoples-Stokes S.5022-A / Serino	Would protect consumers from the adverse effects of mid-year formulary changes.	Passed Assembly
A.2336 / Thiele S.2985 / LaValle	Would provide rate reductions to liability insurance policies upon the completion of a boating safety course or an advanced boating safety course.	Passed Assembly
A.2532 / Dinowitz No Same As	Would restrict insurers from demanding intrusive personal, financial, and tax information from insureds as a standard practice in ordinary theft claims.	Advanced to Third Reading
A.2646-A / Simotas S.3148-A / Savino	Would require health insurers to provide coverage for in vitro fertilization and other fertility preservation treatments.	Passed Assembly
A.3119 / Joyner S.1743 / Golden	Would clarify that a health insurer cannot require an insured to use a mail order pharmacy if the local retail pharmacy agrees to the same reimbursement amount as the mail order pharmacies.	Passed Assembly
A.3787 / Cahill S.5883 / Seward	Would require the DFS to conduct a study of the current mandatory minimum coverage amounts and coverage options for private passenger auto insurance and to assess the impact on premiums of increasing such amounts.	Passed Assembly
A.4060/ Cymbrowitz S.5396 / Robach	Would allow domestic violence victims covered by an insurance policy where another person is the policyholder to designate alternative contact information for the purpose of receiving insurance claim or billing information.	Passed Assembly
A.4225/ Glick S.2075/ LaValle	Would prohibit insurers from penalizing policyholders based solely on the breed of dog owned by the policyholders unless such dog is designated as "dangerous" pursuant to the Agriculture and Markets Law or if prior paid claims have incurred as a result of such dog.	Passed Assembly

A.4306-A / Quart S.5196-A / Lanza	Would allow patients to synchronize the refills of their prescriptions.	Passed Assembly
A.4863-A / Barrett No Same As	Would require the DFS and DOH to study and report upon the adequacy of insurance coverage for the treatment of Lyme disease and other tick-borne related diseases.	Passed Assembly
A.5445-A / Morelle No Same As	Requires insurers to make supplementary uninsured/underinsured motorist (SUM) coverage available in the same amount as the insured's bodily injury and to require the insured to designate if they want to purchase SUM coverage.	Chapter 490
A.5677 / Seawright S.4150 / Griffo	Requires health insurers to provide coverage for tomosynthesis (3-D mammograms).	Chapter 414
A.6217 / Ryan S.6010 / Ranzenhofer	Provides that anti-arson application requirements apply only to cities with a population of one million or more.	Chapter 289
A.6396-B / Rozic S. 6045-B / Marchione	Would clarify that health insurers are required to provide coverage for the treatment of eating disorders.	Passed Assembly
A.6731-B / Jean-Pierre S.6586 / Boyle	Would require health insurers to provide coverage for an annual mammogram for covered persons aged thirty-five through thirty-nine upon the recommendation of a physician.	Passed Assembly
A.7152-A / Otis S.2525-B / Seward	Provides annuity owners the option to reinvest dividend distributions into an annuity contract.	Chapter 297
A.7531-A / Kavanagh S.2095-A / Seward	Allows domestic mutual life insurance companies to offer their policyholders alternative methods of voting and delivery of election materials in uncontested elections.	Chapter 309
A.7584-B / Crespo S.2114-B / Seward	Repeals the requirement that insureds must be issued a policy by a long term care insurer in order to qualify for accelerated death benefits.	Chapter 300
A.7611-A / Cahill S.4241-A / Seward	Provides that hospital charges for emergency services shall be subject to the independent dispute resolution process.	Passed Assembly
A.7624 / Cahill S.5814 / Ranzenofer	Amends the effective date of the ride-hailing provision provided by the SFY 2017-2018 Enacted Budget from the 90th day to the 80th day after it shall have become law.	Chapter 34
A.7737 / Cahill S.5723 / Seward	Reduces the timeframe required for nonprofit health insurers to provide written notice to subscribers prior to discontinuing a contract from five months to 90 days.	Chapter 317
A.7786 / Ryan No Same As	Would prohibit insurers from excluding coverage for losses caused by exposure to lead paint.	Advanced to Third Reading

A.7861 / Hunter S.5806 / Seward	Extends provisions of the property and casualty insurance availability act.	Chapter 69
A.7979-A / Quart No Same As	Would require health insurers to provide coverage for all buprenorphine products or long acting injectable naltrexone, or methadone without prior authorization for the detoxification or maintenance treatment of a substance use disorder.	Passed Assembly
A.8004 / Weinstein S.6556 / Seward	Would allow injured persons to bring an action against a liability insurer when such insurer failed to engage in prompt and fair settlement of the claim.	Advanced to Third Reading
A.8051 / Gottfried S.6053 / Hannon	Prohibits health insurers from requiring a prior authorization determination for services provided in a neonatal intensive care unit of a general hospital.	Chapter 389
A.8063-A / Cymbrowitz S.5779-A / Hannon	Would require health plans to clearly identify to a provider the product an individual is enrolled in.	Advanced to Third Reading
A.8176 / Woerner S.5890-A / Seward	Would extend provisions that allow HMOs to offer to certain municipalities a group high deductible health plan in conjunction with a health savings account.	Reported to Rules
A.8264 / Cahill S.6572-A / Seward	Extends for one year, provisions allowing for the sale of stop-loss coverage to certain small groups and exempting certain municipal corporations from small group rating standards.	Chapter 370
A.8306 / Cahill S.6665 / Seward	Extends the requirement that the superintendent submit a report to the Legislature with respect to noncommercial property and casualty insurance.	Chapter 395
A.8314 / Mayer S.6670 / Stewart-Cousins	Removes a requirement that the Mutual Aid Association of the Paid Fire Department of the city of Yonkers pay a 10% of tax collected from foreign fire insurance companies to the FASNY.	Chapter 499
A.8467 / Cahill S.6704 / Seward	Would clarify which activities shall be deemed illegal inducements in relation to the title insurance industry.	Reported to Codes
A.8519-A / Morelle S.5644-B / Seward	Provides that SUM coverage may be purchased in the same amount as a motorist's bodily injury coverage and require insurers to provide motorists with a notice informing them of the availability of SUM coverage and the amount of SUM coverage that can be purchased.	Chapter 490

**APPENDIX D  
BILLS THAT WERE VETOED IN 2017**

<b>Bill/ Sponsor</b>	<b>Description</b>	<b>Final Action</b>
A.8141-A / Cymbrowitz S.6496-A / O'Mara	Would prohibit an insurer or managed care company from including in a contract any provisions that affect dental services that are not covered by the contract.	Veto Memo 237
A.8487 / Cook S.6612-A / Seward	Would update the limited lines licensing law with respect to wireless communications equipment insurance.	Veto Memo 203

**- END OF REPORT -**