

Summary of New Part 365 to 11 NYCRR (Insurance Regulation 217).

Section 365.0 (Introduction) introduces the statutory authority and intent of the regulation.

Section 365.1 (COVID-19 Risk Adjustment Mechanism) establishes a two-part component risk adjustment mechanism related to COVID-19 claims for disability benefits and family leave benefits paid pursuant to Chapter 25 of the Laws of New York 2020.

Section 365.2 (Immediate Relief Payments from the COVID-19 Risk Adjustment Pool) sets forth requirements and an application procedure for immediate relief payments from the COVID-19 risk adjustment pool.

Section 365.3 (Funding the COVID-19 Immediate Relief Payments) provides that the Superintendent of Financial Services (“Superintendent”) must first seek funds for the risk adjustment pool from the State Insurance Fund. If the State Insurance Fund is unable to cover immediate relief payments approved under Section 365.2, then the Superintendent may require insurers to make payments into the COVID-19 risk adjustment pool.

Section 365.4 (Recoupment of costs of COVID-19 Claims) sets forth a procedure for recoupment of one hundred percent of COVID-19 claims paid.

Section 365.5 (Collection and redistribution of funds from an adjustment) sets forth procedures for the Superintendent to collect and redistribute payments made into the risk adjustment pool.

Section 365.6 (COVID-19 Risk Adjustment Pool) establishes an account to receive funds for the COVID-19 risk adjustment pool and authorizes the Superintendent to make disbursements to insurers for any monies owed as a result of the risk adjustment mechanism.