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**ASSEMBLYMEMBER CAHILL PRAISES NEW LAW  
STABILIZING THE INSURANCE MARKET FOR SMALL GROUP PLANS**

*(Albany NY)* – Legislation important to promoting stability in the small group health insurance market has been signed into law. The measure, A.8264, authored by Assemblymember Cahill, will extend for one year existing provisions that allow for the sale of stop loss coverage to certain groups and exempt particular municipal corporations from small group rating standards.

With the implementation of the Affordable Care Act the definition of the “small group” market changed from one to fifty to one to one hundred employees. This redefining was done to place downward pressure on premiums through the law of large numbers by including bigger firms within the group. However, this also created a new barrier for the market as the sale of stop-loss, reinsurance or catastrophic coverage is currently prevented to those who fall outside the small-group definition. This impacted both private sector firms, municipal cooperatives and schools that belong to cooperative associations.

Such eligible groups will now be allowed to keep their existing coverage in effect for calendar year 2018 or for the fiscal year ending in 2019. Municipal corporations with one hundred or fewer workers are also exempt from small group rating standards. Many of these municipal cooperatives fall within fifty to one hundred employees, causing them now to have to meet the small group standards. With the Department of Financial Services (DFS) set to release a study regarding the impact of the prohibition of the sale of stop-loss, catastrophic and reinsurance coverage to the small group market in March of 2018, Assemblymember Cahill carried this bill for the purpose of maintaining balance in the current system until the issue can be studied further. This will allow for requisite legislative fixes, if any, to be made during the 2018 Legislative Session.

“This one-year extender will allow the Legislature time to review the DFS study while delivering necessary stability for school consortiums and other groups who set rates in January, prior to the report being finalized. Our school districts and small business employers have plenty of other things they need to deal with. Concern over their insurance policies and whether to make a quick change before January 1, 2018 should not be one of them,” said Assemblymember Cahill.

Assemblymember Cahill’s announcement was welcomed by groups and consumers alike.

“**The Association of School Business Officials**, whose members administer many of the health insurance consortiums impacted by this legislation, are very grateful for the efforts made by Assemblymember Cahill and Senator Seward in passing this legislation. This temporary measure will forestall significant health insurance rate increases for many districts and their taxpayers. We look forward to working with State policymakers in finding a permanent solution to this issue in the months ahead,” stated Michael Borges, Executive Director of the New York State Association of School Business Officials.

Ralph Spagnuola, President of the **New York State Association of Health Underwriters**, said, “On behalf of my member health insurance brokers, agents and benefits consultants, I applaud the passage of A.8264 (Cahill)/S.6572-A (Seward), which extends the availability of stop loss coverage for businesses, union groups, municipalities, school and library districts and other entities with 51-100 employees or members throughout New York State.”

The **Self-Insurance Institute of America (SIIA)**, the national trade association comprised of members involved in the self-funded marketplace, agreed about the benefits of this legislation. Mike Ferguson, President & CEO of SIIA explained, “By enacting A.8264 (Cahill) / S.6572-A (Seward), containing a one-year extender for existing mid-sized groups in New York to continue to self-fund their members’ healthcare coupled with stop-loss insurance against catastrophic loss, the Governor and Legislature have provided smaller businesses, municipalities, schools and union groups with greater health insurance choices to extend to their respective employees or members.”

This action was part of a larger package of bills signed into law and guided by Assemblymember Cahill aimed at stabilizing the New York State insurance markets during a period of great uncertainty.

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