



Retired Public Employees Association, Inc.

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Stanley Winter, President Michael B. Fitzgerald, Executive Director

MEMORANDUM IN SUPPORT

May 13, 2009

S.5456, Senators DIAZ, KLEIN, MAZIARZ
A.217, M. of A. LATIMER, et al.

AN ACT to amend the insurance law, in relation to third-party notification prior to termination of health insurance policies for subscribers aged sixty-five years or older

On behalf of the almost 50,000 Retired Public Employees Association members, we strongly support this bill which would require insurance companies, non-profit medical and dental indemnity companies or health maintenance organizations to notify a designated third person before cancelling a health insurance policy held by a person 65 years of age or older. The bill would require the policyholder to notify such insurer by certified mail of such third party designation. Certain additional markings on mail containing notices of cancellation would be required.

The notification requirement contained in this bill already applies to the cancellation of Medicare supplemental insurance policies where premiums are paid directly by the senior citizen. Extending this protection to all types of health insurance policies is important because health insurance coverage is critical to the well-being of our aged population.

Under this bill, senior citizens benefit from the security of having third parties make sure that health insurance benefits are not lost because of failure or neglect to pay premiums. Society also gains from the maintenance of health insurance coverage because government becomes the insurer of last resort when private insurance does not exist.

Given the vulnerability of our elders in taking care of their own financial matters, this notification is an important safeguard. It is very similar to notification requirements and third party designations in the payment of real property taxes, for example. It is the least that we can do to protect our seniors from financial ruin or chaos.

For these reasons, RPEA respectfully urges passage of this bill.