



General Assembly

**Raised Bill No. 7260**

*January Session, 2019*

LCO No. **4706**



Referred to Committee on INSURANCE AND REAL  
ESTATE

Introduced by:  
(INS)

***AN ACT EXCLUDING BEER MANUFACTURERS, THEIR EMPLOYEES  
AND THE DEPENDENTS OF THEIR EMPLOYEES FROM VARIOUS  
PROVISIONS OF THE INSURANCE STATUTES CONCERNING SMALL  
EMPLOYER HEALTH INSURANCE COVERAGE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. Section 38a-564 of the general statutes is repealed and the  
2       following is substituted in lieu thereof (*Effective January 1, 2020*):

3       As used in this section and sections 38a-566, 38a-567, 38a-569 and  
4       38a-574:

5       (1) "Pool" means the Connecticut Small Employer Health  
6       Reinsurance Pool, established under section 38a-569.

7       (2) "Board" means the board of directors of the pool.

8       (3) "Employee" means an individual employed by an employer.  
9       "Employee" does not include (A) an individual and such individual's  
10      spouse with respect to an incorporated or unincorporated trade or  
11      business that is wholly owned by such individual, by such individual's

12 spouse or by such individual and such individual's spouse, [or] (B) a  
13 partner in a partnership and such partner's spouse with respect to such  
14 partnership, or (C) an individual employed by an employer in this  
15 state that holds a manufacturer permit for beer, as described in  
16 subsection (b) of section 30-16, and obtains health insurance coverage  
17 for its employees and their dependents through the Connecticut  
18 Brewers Guild.

19 (4) (A) "Small employer" means (i) prior to January 1, 2016, an  
20 employer that employed an average of at least one but not more than  
21 fifty employees on business days during the preceding calendar year  
22 and employs at least one employee on the first day of the group health  
23 insurance plan year, and (ii) on and after January 1, 2016, an employer  
24 that employed an average of at least one but not more than one  
25 hundred employees on business days during the preceding calendar  
26 year and employs at least one employee on the first day of the group  
27 health insurance plan year, except the commissioner may postpone  
28 said January 1, 2016, date to be consistent with any such postponement  
29 made by the Secretary of the United States Department of Health and  
30 Human Services under the Patient Protection and Affordable Care Act,  
31 P.L. 111-148, as amended from time to time. "Small employer" does not  
32 include a sole proprietorship that employs only the sole proprietor or  
33 the spouse of such sole proprietor, or an employer in this state that  
34 holds a manufacturer permit for beer, as described in subsection (b) of  
35 section 30-16, and obtains health insurance coverage for its employees  
36 and their dependents through the Connecticut Brewers Guild.

37 (B) (i) For purposes of subparagraph (A) of this subdivision, the  
38 number of employees shall be determined by adding (I) the number of  
39 full-time employees for each month who work a normal work week of  
40 thirty hours or more, and (II) the number of full-time equivalent  
41 employees, calculated for each month by dividing by one hundred  
42 twenty the aggregate number of hours worked for such month by  
43 employees who work a normal work week of less than thirty hours,  
44 and averaging such total for the calendar year.

45       (ii) If an employer was not in existence throughout the preceding  
46       calendar year, the number of employees shall be based on the average  
47       number of employees that such employer reasonably expects to  
48       employ in the current calendar year.

49       (C) All persons treated as a single employer under Section 414 of the  
50       Internal Revenue Code of 1986, or any subsequent corresponding  
51       internal revenue code of the United States, as amended from time to  
52       time, shall be considered a single employer for purposes of this  
53       subdivision.

54       (5) "Insurer" means any insurance company, hospital service  
55       corporation, medical service corporation or health care center,  
56       authorized to transact health insurance business in this state.

57       (6) "Insurance arrangement" means any multiple employer welfare  
58       arrangement, as defined in Section 3 of the Employee Retirement  
59       Income Security Act of 1974, as amended from time to time, except for  
60       any such arrangement that is fully insured within the meaning of  
61       Section 514(b)(6) of said act, as amended from time to time.

62       (7) "Health insurance plan" means any hospital and medical expense  
63       incurred policy, hospital or medical service plan contract and health  
64       care center subscriber contract. "Health insurance plan" does not  
65       include (A) accident only, credit, dental, vision, Medicare supplement,  
66       long-term care or disability insurance, hospital indemnity coverage,  
67       coverage issued as a supplement to liability insurance, insurance  
68       arising out of a workers' compensation or similar law, automobile  
69       medical-payments insurance, or insurance under which beneficiaries  
70       are payable without regard to fault and which is statutorily required to  
71       be contained in any liability insurance policy or equivalent self-  
72       insurance, or (B) policies of specified disease or limited benefit health  
73       insurance, provided the carrier offering such policies files on or before  
74       March first of each year a certification with the commissioner that  
75       contains the following: (i) A statement from the carrier certifying that  
76       such policies are being offered and marketed as supplemental health

77 insurance and not as a substitute for hospital or medical expense  
78 insurance; (ii) a summary description of each such policy including the  
79 average annual premium rates, or range of premium rates in cases  
80 where premiums vary by age, gender or other factors, charged for such  
81 policies in the state; and (iii) in the case of a policy that is described in  
82 this subparagraph and that is offered for the first time in this state on  
83 or after October 1, 1993, the carrier files with the commissioner the  
84 information and statement required in this subparagraph at least thirty  
85 days prior to the date such policy is issued or delivered in this state.

86 (8) "Plan of operation" means the plan of operation of the pool,  
87 including articles, bylaws and operating rules, adopted by the board  
88 pursuant to section 38a-569.

89 (9) "Dependent" means the spouse or child of an eligible employee,  
90 subject to applicable terms of the health insurance plan covering such  
91 employee. "Dependent" includes any dependent who is covered under  
92 the small employer's health insurance plan pursuant to workers'  
93 compensation, continuation of benefits pursuant to section 38a-512a or  
94 other applicable laws.

95 (10) "Commissioner" means the Insurance Commissioner.

96 (11) "Member" means each insurer and insurance arrangement  
97 participating in the pool.

98 (12) "Small employer carrier" means any insurer or insurance  
99 arrangement that offers or maintains group health insurance plans  
100 covering eligible employees of one or more small employers.

101 (13) "Health care center" has the same meaning as provided in  
102 section 38a-175.

103 (14) "Case characteristics" means demographic or other objective  
104 characteristics of a small employer, including age and geographic  
105 location. "Case characteristics" does not include claims experience,  
106 health status or duration of coverage since issue.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>January 1, 2020</i>	38a-564
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**INS**      *Joint Favorable*