



General Assembly

January Session, 2019

Raised Bill No. 1084

LCO No. 5974



Referred to Committee on JUDICIARY

Introduced by:
(JUD)

**AN ACT CONCERNING SHORT-TERM HEALTH INSURANCE
BENEFITS AND THE AUTHORITY OF THE INSURANCE
COMMISSIONER TO IMPOSE FINES AGAINST AN INSURER OR
HEALTH CARE CENTER.**

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

1 Section 1. Section 38a-476 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2019*):

3 (a) For the purposes of this section:

4 (1) "Health insurance plan" means any hospital and medical expense
5 incurred policy, hospital or medical service plan contract and health
6 care center subscriber contract. "Health insurance plan" does not
7 include (A) short-term health insurance issued on a nonrenewable
8 basis with a duration of [six months] three hundred sixty-four days or
9 less, accident only, credit, dental, vision, Medicare supplement, long-
10 term care or disability insurance, hospital indemnity coverage,
11 coverage issued as a supplement to liability insurance, insurance
12 arising out of a workers' compensation or similar law, automobile
13 medical payments insurance, or insurance under which beneficiaries

14 are payable without regard to fault and which is statutorily required to
15 be contained in any liability insurance policy or equivalent self-
16 insurance, or (B) policies of specified disease or limited benefit health
17 insurance, provided the carrier offering such policies files on or before
18 March first of each year a certification with the Insurance
19 Commissioner that contains the following: (i) A statement from the
20 carrier certifying that such policies are being offered and marketed as
21 supplemental health insurance and not as a substitute for hospital or
22 medical expense insurance; (ii) a summary description of each such
23 policy including the average annual premium rates, or range of
24 premium rates in cases where premiums vary by age, gender or other
25 factors, charged for such policies in the state; and (iii) in the case of a
26 policy that is described in this subparagraph and that is offered for the
27 first time in this state on or after October 1, 1993, the carrier files with
28 the commissioner the information and statement required in this
29 subparagraph at least thirty days prior to the date such policy is issued
30 or delivered in this state.

31 (2) "Insurance arrangement" means any "multiple employer welfare
32 arrangement", as defined in Section 3 of the Employee Retirement
33 Income Security Act of 1974, as amended from time to time, except for
34 any such arrangement that is fully insured within the meaning of
35 Section 514(b)(6) of said act, as amended from time to time.

36 (3) "Preexisting conditions provision" means a policy provision that
37 limits or excludes benefits relating to a condition based on the fact that
38 the condition was present before the effective date of coverage, for
39 which any medical advice, diagnosis, care or treatment was
40 recommended or received before such effective date. Routine follow-
41 up care to determine whether a breast cancer has reoccurred in a
42 person who has been previously determined to be breast cancer free
43 shall not be considered as medical advice, diagnosis, care or treatment
44 for purposes of this section unless evidence of breast cancer is found
45 during or as a result of such follow-up. Genetic information shall not
46 be treated as a condition in the absence of a diagnosis of the condition
47 related to such information. Pregnancy shall not be considered a

48 preexisting condition.

49 (4) "Applicable waiting period" means the period of time imposed
50 by the group policyholder or contractholder before an individual is
51 eligible for participating in the group policy or contract.

52 (b) (1) No group health insurance plan or insurance arrangement
53 shall impose a preexisting conditions provision on any individual.

54 (2) No individual health insurance plan or insurance arrangement
55 shall impose a preexisting conditions provision on any individual.

56 (3) No insurance company, fraternal benefit society, hospital service
57 corporation, medical service corporation or health care center shall
58 refuse to issue an individual health insurance plan or insurance
59 arrangement to any individual solely on the basis that such individual
60 has a preexisting condition.

61 (c) (1) Notwithstanding the provisions of subsection (a) of this
62 section, a short-term health insurance policy issued on a nonrenewable
63 basis for [six months] three hundred sixty-four days or less that
64 imposes a preexisting conditions provision shall be subject to the
65 following conditions: (A) No such preexisting conditions provision
66 shall exclude coverage beyond twelve months following the insured's
67 effective date of coverage; (B) such preexisting conditions provision
68 may only relate to conditions, whether physical or mental, for which
69 medical advice, diagnosis, care or treatment was recommended or
70 received during the twenty-four months immediately preceding the
71 effective date of coverage; and (C) any policy, application or sales
72 brochure issued for such short-term health insurance policy that
73 imposes such preexisting conditions provision shall disclose in a
74 conspicuous manner in not less than fourteen-point boldface type the
75 following statement:

76 "THIS POLICY EXCLUDES COVERAGE FOR CONDITIONS FOR
77 WHICH MEDICAL ADVICE, DIAGNOSIS, CARE OR TREATMENT
78 WAS RECOMMENDED OR RECEIVED DURING THE TWENTY-

79 FOUR MONTHS IMMEDIATELY PRECEDING THE EFFECTIVE
80 DATE OF COVERAGE."

81 (2) In the event an insurer or health care center issues two
82 consecutive short-term health insurance policies on a nonrenewable
83 basis for [six months] three hundred sixty-four days or less that
84 impose a preexisting conditions provision to the same individual, the
85 insurer or health care center shall reduce the preexisting conditions
86 exclusion period in the second policy by the period of time such
87 individual was covered under the first policy. If the same insurer or
88 health care center issues a third or subsequent such short-term health
89 insurance policy to the same individual, such insurer or health care
90 center shall reduce the preexisting conditions exclusion period in the
91 third or subsequent policy by the cumulative time covered under the
92 prior policies. Nothing in this section shall be construed to require
93 such short-term health insurance policy to be issued on a guaranteed
94 issue or guaranteed renewable basis.

95 (d) In accordance with the provisions of section 38a-2, the Insurance
96 Commissioner may impose a fine of not more than fifteen thousand
97 dollars against an insurer or health care center that violates the
98 provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	38a-476

Statement of Purpose:

To extend the duration of short-term health insurance policies and permit the Insurance Commissioner to impose a fine against an insurer or health care center that violates a statutory provision relating to such policies.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]