Regular Session, 2010

HOUSE BILL NO. 717

BY REPRESENTATIVE ROY

1 AN ACT 2 To amend and reenact R.S. 22:979, 1068(C)(2)(a)(iii) and (b), 1074(C)(2)(a)(iii) and (b), 3 and 1096 and to enact R.S. 22:1068(C)(2)(c) and 1074(C)(2)(c), relative to 4 withdrawal from health insurance markets in this state; to prohibit the increase of 5 premiums and reduction of benefits during withdrawal; to require prior approval of the notice of withdrawal; to clarify periods of coverage during withdrawal; and to 6 7 provide for related matters. 8 Be it enacted by the Legislature of Louisiana: 9 Section 1. R.S. 22:979, 1068(C)(2)(a)(iii) and (b), 1074(C)(2)(a)(iii) and (b), and 10 1096 are hereby amended and reenacted and R.S. 22:1068(C)(2)(c) and 1074(C)(2)(c) are 11 hereby enacted to read as follows: 12 §979. Covered claim; prohibition of cancellation 13 No health and accident insurer may unilaterally cancel a policy of insurance 14 except for nonpayment of premiums, increase the premium for such policy, or reduce 15 the benefits provided by such insurance policy after receipt or notice of any covered 16 claim. The insurer may cancel the policy, as otherwise provided by law, after the 17 claimant has been discharged from treatment for that condition and no further claims 18 for that condition are expected, provided there has been no other receipt or notice of 19 claim under that policy. This Section shall not prohibit any group health and 20 accident insurer or any individual accident and health insurer from increasing its 21 premium if the increase is applicable to all members of the group insurance plan, or 22 all insureds who have the same individual accident and health plan or policy: except 23 that no health insurance issuer or health maintenance organization issuing group or individual policies or subscriber agreements shall increase its premium rates or 24

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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1	reduce covered benefits under any policy or subscriber agreement after the
2	commencement of the minimum one-hundred-eighty-day period provided for in R.S.
3	22:1068(C)(2)(a)(i) or 1074(C)(2)(a)(i).
4	* * *
5	§1068. Guaranteed renewability of coverage for employers in the group market
6	* * *
7	C.
8	* * *
9	(2)(a) In any case in which a health insurance issuer elects to discontinue
10	offering all health insurance coverage in the small group market or the large group
11	market, or both markets, in the state, health insurance coverage may be discontinued
12	by the issuer if:
13	* * *
14	(iii) Prior to providing the notice required by Item (i) of this Subparagraph,
15	the issuer files such notice and the insurance product being discontinued with the
16	commissioner of insurance: the notice and the insurance product being discontinued
17	for certification that the notice is in compliance with this Section. Notice shall not
18	be issued to the insureds or enrollees until the expiration of twenty days after the
19	notice and insurance product being discontinued have been filed unless the
20	commissioner of insurance gives his written approval prior to that time.
21	(b) In the case of a discontinuation in the small group market or large group
22	market under Subparagraph (a) of this Paragraph, any plan sponsor's policy or
23	coverage that is not subject to renewal during the minimum one-hundred-eighty-day
24	notice period shall remain in force until the termination date upon which the
25	contracted period of coverage ends. Any plan sponsor's policy or coverage whose
26	renewal date falls within the minimum one-hundred-eighty-day notice period shall
27	remain in force for one hundred eighty days from the date that the notice of
28	discontinuation was issued.
29	(c) In the case of a discontinuation under Subparagraph (a) of this Paragraph
30	in a market, the issuer may not provide for the issuance of any health insurance

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1	coverage in the market and state during the five-year period beginning on the date
2	of the discontinuation of the last health insurance coverage not so renewed.
3	* * *
4	§1074. Guaranteed renewability of individual health insurance coverage
5	* * *
6	C.
7	* * *
8	(2)(a) Subject to Subparagraph (b) of this Paragraph, in any case in which
9	a health insurance issuer elects to discontinue offering all health insurance coverage
10	in the individual market in a state, health insurance coverage may be discontinued
11	by the issuer only if:
12	* * *
13	(iii) Prior to providing the notice required by Item (i) of this Subparagraph,
14	the issuer files such notice and the insurance product being discontinued with the
15	commissioner of insurance: the notice and the insurance product being discontinued
16	for certification that the notice is in compliance with this Section. Notice shall not
17	be issued to the insureds or enrollees until the expiration of twenty days after the
18	notice and insurance product being discontinued have been filed unless the
19	commissioner of insurance gives his written approval prior to that time.
20	(b) <u>In the case of a discontinuation in the individual market under</u>
21	Subparagraph (a) of this Paragraph, any individual's policy or coverage that is not
22	subject to renewal during the minimum one-hundred-eighty-day notice period shall
23	remain in force until the termination date upon which the contracted period of
24	coverage ends. Any individual's policy or coverage whose renewal date falls within
25	the minimum one-hundred-eighty-day notice period shall remain in force for one
26	hundred eighty days from the date that the notice of discontinuation was issued.
27	(c) In the case of a discontinuation under Subparagraph (a) of this Paragraph
28	in the individual market, the issuer may not provide for the issuance of any health

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insurance coverage in the market and state involved during the five-year period

HB NO. 717 **ENROLLED** 1 beginning on the date of the discontinuation of the last health insurance coverage not 2 so renewed. 3 4 §1096. Health and accident insurers; rate increases 5 Health and accident insurers shall not increase their premium rates during the 6 initial twelve months of coverage and not more than once in any six-month period 7 following the initial twelve-month period, for any policy, rider, or amendment issued 8 in or for residents of the state, no matter the date of commencement or renewal of the 9 insurance coverage: except that no health insurance issuer or health maintenance 10 organization issuing group or individual policies or subscriber agreements shall 11 increase its premium rates or reduce the covered benefits under the policy or 12 subscriber agreement after the commencement of the minimum one-hundred-eighty-13 day period described in R.S. 22:1068(C)(2)(a)(i) or 1074(C)(2)(a)(i). This Section 14 does not affect increases in the premium amount due to the addition of a newly 15 covered person or a change in age or geographic location of an individual insured or 16 policyholder or an increase in the policy benefit level. SPEAKER OF THE HOUSE OF REPRESENTATIVES PRESIDENT OF THE SENATE

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APPROVED: _____

GOVERNOR OF THE STATE OF LOUISIANA