

Regular Session, 2010

ACT No. 595

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
6 the notice of withdrawal; to clarify periods of coverage during withdrawal; and to
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
24 individual policies or subscriber agreements shall increase its premium rates or

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

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) In the case of a discontinuation in the individual market under
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
29 insurance coverage in the market and state involved during the five-year period

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

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____