

Regular Session, 2012

HOUSE BILL NO. 868

BY REPRESENTATIVE PEARSON

INSURANCE/HEALTH: Provides relative to continuation of coverage for spouses and dependents

1 AN ACT

2 To amend and reenact R.S. 22:1045(B) and (C) and to enact R.S. 22:1045(D), relative to  
3 group, blanket, and association policies; to provide for continuation of group,  
4 blanket, and association coverage; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1045(B) and (C) are hereby amended and reenacted and R.S.  
7 22:1045(D) is hereby enacted to read as follows:

8 §1045. Group, blanket, and association health and accident insurance; continuation  
9 of coverage

10 \* \* \*

11 B. Each group, blanket, or association insurance policy that is sponsored by  
12 an employer who employs twenty or more employees and contains provisions for  
13 payment by the insurer of benefits for expenses incurred for hospital, nursing,  
14 medical, or surgical services, issued or renewed in this state on or after September  
15 30, 2012, shall include within its provisions the following:

16 (1) An option for all surviving spouses, who have not reached fifty years of  
17 age, of deceased employees covered by the group plan by virtue of their family  
18 relationship to a group member to continue as a member of the group plan when their  
19 eligibility for group coverage ceases due to the death of the employee-member.

1           (2) An option for spouses covered by the group plan by virtue of their  
2           marital relationship, upon the severance of the marital relationship to the employee-  
3           member, to continue as a member of the group plan.

4           (3) An option for dependent children covered by virtue of their family  
5           relationship to a group member to continue as a member of the group plan when their  
6           eligibility for group coverage ceases due to the death of the employee-member, the  
7           severance of the family relationship, or upon the loss of dependent child status under  
8           the plan rules.

9           (4) The continuation option provided for above shall not be conditioned upon  
10          any physical examination.

11          (5) The continuation option shall entitle the surviving or former spouse or  
12          dependent to coverage identical in scope to that provided for under the group plan.

13          (6) The policyholder shall be responsible for billing and collection of the  
14          premium; however, the premium amount shall not exceed the premium assessed for  
15          each group member under the group insurance policy. The premium shall be based  
16          upon the community costs of the pool of members of the group insurance policy,  
17          family members, or dependents covered under the group policy.

18          (7) The surviving or former spouse or dependent shall have ninety days after  
19          the date of death to notify the insurer that the continuation option will be exercised.  
20          Coverage under the group insurance plan shall not be terminated during the ninety  
21          day notification period. No probationary or waiting period shall be required.

22          (8) If the continuation option is exercised, coverage of the surviving or  
23          former spouse or dependent under the group plan shall continue without interruption  
24          and may not be terminated for a period of one year, unless one of the following  
25          occurs:

26                (a) The insured fails to make timely payment of the required premium  
27                amount.

28                (b) The insured becomes eligible to participate in another group health plan  
29                and accident insurance plan.

1           ~~B: C.~~ If the insurer has been furnished with the home address of the  
2           surviving or former spouse or dependent and has been notified of the death of the  
3           employee by the policy owner, the insurer shall notify the surviving spouse of the  
4           right to the continuation option.

5           ~~E: D.~~ This Section shall not be construed to interfere with or diminish any  
6           protection already provided pursuant to collective bargaining agreements and  
7           employer-sponsored plans that are more favorable to the surviving spouses benefited  
8           thereby than the protection offered by this Section.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Pearson

HB No. 868

**Abstract:** Provides for the temporary continuation of group health, blanket, and association services for surviving spouses of all ages, former spouses, and dependents.

Present law provides the option of continuation of group health, blanket, and association services for surviving spouses age 50 or older in the event of death of the spouse who is the primary policyholder. Further provides that the spouse will be able to continue coverage by paying a premium price which shall be no more than it was during the life of the decedent spouse who was the employee-member and that coverage shall continue unless and until the surviving spouse no longer makes timely payments, becomes eligible for Medicare, becomes eligible for another health plan, or remarries.

Proposed law extends the option for continuation to surviving spouses under the age of 50, as well as to divorcing spouses and dependents who were members of a health plan as a result of a familial relationship. Dependents shall have the right of continuation in the event of death of the policyholder, the severance of the family relationship, or upon the loss of dependent status under the terms of the plan. Proposed law provides that people who fit into this category of continuation of benefits shall be able to continue on the plan for a 12 month period.

Proposed law provides that an individual who exercises the option to continue group coverage shall not be required to take and pass a physical examination as a condition to continuing coverage.

Present law provides that if an insurer has been furnished with the home address of the surviving spouse, it shall notify the surviving spouse of the continuation option.

Proposed law retains present law and further extends the notification requirement to former spouses and dependents.

(Amends R.S. 22:1045(B) and (C); Adds R.S. 22:1045(D))