

Regular Session, 2010

HOUSE BILL NO. 619

BY REPRESENTATIVE PEARSON

INSURANCE/HEALTH-ACCID: Provides relative to state continuation of group health and accident insurance coverage upon termination of employment

1 AN ACT

2 To amend and reenact R.S. 22:1046(C), (F), and (H), relative to group health and accident
3 insurance policies; to provide with respect to state continuation of such group health
4 and accident insurance coverage upon termination of employment, including
5 determining whether dependents are covered under continuation, extending the
6 timeframe for election of continuation, and providing with respect to the notification
7 of election of continuation; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1046(C), (F), and (H) are hereby amended and reenacted to read
10 as follows:

11 §1046. Group health insurance continuation

12 * * *

13 C. Continuation shall only be available to an employee or member who has
14 been continuously insured under the group policy, or for similar benefits under any
15 other group policy that it replaced, during the period of three consecutive months
16 immediately prior to the date of termination. The continued policy ~~must~~ may cover,
17 at the option of the employee or member, all dependents covered under the group
18 policy.

19 * * *

1 F. An employee or member electing continuation shall pay to the group
 2 policyholder or his employer, in advance, the amount of contribution required by the
 3 policyholder or employer, but not more than the full group rate for the insurance
 4 applicable to the employee or member under the group policy on the due date of each
 5 payment. The employee or member shall not be required to pay the amount of the
 6 contribution less often than monthly. In order to be eligible for continuation of
 7 coverage, the employee or member shall have sixty days from the date of termination
 8 to make a written election of continuation, on a form furnished provided by the
 9 group policyholder; on the date of termination and pay the first contribution, in
 10 advance, to the policyholder or employer on or before the date on which the
 11 employee's or member's insurance would otherwise terminate. at the time of
 12 election. The sixty-day period of election for the employee or member shall not
 13 begin to run until the group policyholder provides the election form for state
 14 continuance to the employee or member. Such form shall be as prescribed in this
 15 Section.

* * *

17 H. A notification of the state continuation privilege shall be clearly printed
 18 in at least twelve-point boldface capital letters and included in each individual
 19 certification of coverage; on any individual certificate of coverage issued by a health
 20 insurance issuer to an employee or member upon enrollment or renewal of the group
 21 policy.

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)]

Pearson

HB No. 619

Abstract: Provides relative to state continuation of group and accident health insurance coverage upon termination of employment.

Present law provides that, under certain conditions, a group health and accident insurance policy that provides coverage for employees or members and dependents and which terminates upon termination of employment may be continued subject to certain criteria, including continued payment of the entire premium by the employee.

Proposed law changes present law as follows:

- (1) Present law requires that the continued policy must cover all dependents covered under the group policy.

Proposed law instead makes such coverage of all dependents optional for the employee or member.

- (2) Present law requires that, in order to be eligible for continuation of coverage, the employee or member make a written election of continuation on a form furnished by the group policyholder. Also requires that such employee or member pay the first contribution, in advance, to the policyholder or employer on or before the date on which the employee's or member's insurance would otherwise terminate.

Proposed law gives the employee or member 60 days from the date of termination to elect continuation. Specifies that this 60-day period shall not begin to run until the group policyholder provides the election form for state continuance to the employee or member. Additionally requires that the form be provided by the group policyholder on the date of termination and that the first contribution shall be paid at the time of election.

- (3) Present law requires that a notification of the continuation privilege be included in each individual certification of coverage.

Proposed law additionally requires that a notification of the state continuation privilege shall be clearly printed in at least 12-point boldface capital letters and included on any individual certificate of coverage issued by a health insurance issuer to an employee or member upon enrollment or renewal of the group policy.

(Amends R.S. 22:1046(C), (F), and (H))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Clarified that notification of the state continuation privilege shall be included on any individual certificate of coverage issued by a health insurance issuer to an employee or member upon enrollment or renewal of the group policy.