

SENATE BILL 2634

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 56,
relative to individual health insurance coverage.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding the following as a new appropriately designated part:

56-7-3401. The general assembly recognizes the high level of uninsured individuals in this state and the need for individuals or other purchasers of health insurance coverage in this state to have the opportunity to choose health insurance plans that are more affordable and flexible than existing market policies offering accident and sickness insurance coverage. Therefore, the general assembly seeks to increase the availability of health insurance coverage by allowing insurers authorized to transact insurance in Tennessee to issue individual accident and sickness policies in Tennessee that are currently approved for issuance in another state.

56-7-3402. For purposes of this part, the term "individual accident and sickness insurance policy" means any policy insuring against loss resulting from sickness or from bodily injury or death by accident, or both, or any contract to furnish ambulance service in the future but does not include limited benefit insurance policies exempted from the definition of the term "health benefit plan" in § 56-7-2203. The term "individual accident and sickness insurance policy" shall also include comprehensive major medical coverage for medical and surgical benefits, and also includes "high deductible health plans" sold or maintained under § 223 of the Internal Revenue Code.

56-7-3403. The commissioner of commerce and insurance shall approve for sale in Tennessee any individual accident and sickness insurance policy that is currently

approved for issuance in another state where the insurer or the insurer's affiliate or subsidiary is authorized to transact insurance so long as the insurer or the insurer's affiliate or subsidiary filing and issuing such policy in this state is also authorized to transact insurance in this state pursuant to this title and provided that any such policy meets the requirements set forth in this part. Additionally, any insurer authorized to transact insurance in this state can offer an individual accident and sickness insurance policy with benefits equivalent to those in any policy approved for sale in Tennessee under this part, provided that any such offered policy meets the requirements set forth in this part.

56-7-3404.

(a) Any insurer selling an insurance policy pursuant to this part, and any policy approved pursuant to this part, shall satisfy actuarial standards set forth by the National Association of Insurance Commissioners (NAIC) and any regulation promulgated by the commissioner that is not inconsistent with such NAIC standards. Any insurer selling an insurance policy pursuant to this part, and any policy approved pursuant to this part, shall, except as otherwise provided in this part, comply with this title and the regulations promulgated by the commissioner.

(b) The commissioner shall have the authority to determine whether an insurer satisfies the standards required by this section and may not approve a plan that the commissioner finds lacks compliance with this section. The commissioner shall have the authority to determine whether the plan sold pursuant to this part continues to comply with this section in the same manner as the commissioner does with an individual accident and sickness insurance policy approved pursuant to another applicable chapter in this title.

(c) To the extent permitted by federal law, any policy sold pursuant to this part shall comply with title 29, chapter 5, and shall not require the insured or the insured's beneficiary to arbitrate disputes arising under the policy.

(d) For any plan approved by the commissioner under this part, the insured or the insured's beneficiary shall continue to have available any remedy, administrative review or judicial review in a Tennessee court of competent jurisdiction otherwise available to any insured or beneficiary of a policy issued under this title.

(e) An insurance producer licensed in this state is authorized to sell, solicit or negotiate the sale of insurance policies authorized under this part.
56-7-3405.

(a) Each written application for a policy sold pursuant to this part shall contain the following language in boldface type at the beginning of the document:

"The benefits of this policy may primarily be governed by the laws of a state other than Tennessee; therefore, all of the laws applicable to policies filed in this state may not apply to this policy. Any purchase of individual health insurance should be considered carefully since future medical conditions may make it impossible to qualify for another individual health insurance policy."

(b) Each policy sold pursuant to this part shall contain the following language in boldface type at the beginning of the document:

"The benefits of this policy providing your coverage may be governed primarily by the laws of a state other than Tennessee. The benefits covered may be different from other policies you can purchase. Please

consult your insurance agent or insurer to determine which health benefits are covered under this policy."

(c) Each individual accident and sickness policy sold pursuant to this part shall contain a side-by-side chart that compares the definitions of each benefit covered by the policy that has been sold in the other state with the definitions of the benefits covered under current Tennessee laws and regulations where the specified benefit is similarly termed but defined differently.

56-7-3406.

(a) The commissioner shall adopt rules and regulations necessary to implement this part, which shall include, but shall not be limited to, standard forms for the disclosure of benefits.

(b) Any dispute resolution mechanism or provision for notice and hearing in this title shall apply to insurers issuing and delivering policies pursuant to this part.

SECTION 2. This act shall take effect July 1, 2012, the public welfare requiring it.