



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 16** SLS 25RS 50

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE FLOOR AMD**

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|----------|--------------------------------|
| Date: June 9, 2025 | 10:01 AM | Author: MCMATH |
| Dept./Agy.: Insurance | | |
| Subject: Health Stop-Loss Insurance | | Analyst: Anthony Shamis |

HEALTH/ACC INSURANCE

REF NO IMPACT See Note

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Provides relative to health stop-loss insurance. (gov sig)

Present law provides requirements for insurers that issue stop-loss insurance. Proposed law provides that stop-loss insurance issued in connection with an employee benefit plan of a small employer as defined in present law shall be issued on or after January 1, 2026 only if certain conditions are met. Proposed law shall not apply to any policy in effect prior to January 1, 2026. Proposed law requires the Commissioner of Insurance to develop a standardized health stop-loss policy disclosure form no later than November 1, 2025. The form shall include an explanation of the limitations of coverage, potential employer risk, and impact of claims renewals. After January 1, 2026, an employer shall sign the disclosure form prior to purchasing the policy. Proposed law provides that no stop-loss insurance issued in connection with an employee benefit plan of an employer with less than five employees shall be issued on or after January 1, 2026, if the insurance policy contains a provision permitting or authorizing the adjustment of specific deductibles or attachment points of a plan member or specific diseases or conditions.

| EXPENDITURES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|----------------|---------|---------|---------|---------|---------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|----------------|---------|---------|---------|---------|---------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law will have no fiscal impact on the Department of Insurance (DOI), Office of Group Benefits, or Department of Health, as it simply provides specific criteria that must be met for stop-loss insurance to be issued in connection with an employee benefit plan of a small employer as defined in present law. DOI reports that they do not have information on the number of groups impacted by this legislation, and that there is no anticipated fiscal impact to the DOI related to market compliance.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The DOI does not anticipate any increases in revenue resulting from filings in response to potential movement of policies from stop-loss to fully insured.

Senate

Dual Referral Rules

House

- ☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- ☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- ☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}
- ☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer