

Regular Session, 2013

HOUSE BILL NO. 524

BY REPRESENTATIVE BURRELL

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE/HEALTH: Provides relative to group blanket health and accident insurance

1 AN ACT

2 To amend and reenact R.S. 22:1000(A)(3)(a), (b), (c), (d), (f), (g), and (h) and to enact R.S.  
3 22:1000(A)(3)(i) through (p), relative to group blanket health and accident  
4 insurance; to provide additional special groups relative to group blanket health and  
5 accident insurance; to clarify provisions relative to policies of group blanket health  
6 and accident insurance; to provide for applicability; and to provide for related  
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 22:1000(A)(3)(a), (b), (c), (d), (f), (g), and (h) are hereby amended  
10 and reenacted and R.S. 22:1000(A)(3)(i) through (p) are hereby enacted to read as follows:

11 §1000. Group, family group, blanket, and association health and accident insurance

12 A. Any insurer authorized to write health and accident insurance in this state  
13 shall have the power to issue policies described in this Section, provided that no  
14 policy issued pursuant to this Section shall conflict with other provisions of this Title  
15 or with federal law including but not limited to relevant provisions of law governing  
16 major medical health and accident policies.

17 \* \* \*

18 (3) Blanket health and accident insurance is any policy covering special  
19 groups of persons as enumerated in one of the following Subparagraphs (a) through  
20 ~~(g)~~: (o):

1 (a) Under a policy or contract issued to any common carrier or to any  
2 operator, owner, or lessee of a means of transportation which operates as a common  
3 carrier, which shall be deemed the policyholder, covering a group defined as all  
4 persons who may become passengers on such common carrier or means of  
5 transportation.

6 (b) Under a policy issued to an employer, who shall be deemed the  
7 policyholder, covering any group of employees, dependents or guests defined by  
8 reference to ~~exceptional~~ hazards incident to activities or operations of the  
9 policyholder ~~such employment~~.

10 (c) Under a policy issued to a college, school, or other institution of learning,  
11 a school district or districts or school jurisdictional unit, or to the head, ~~or~~ principal,  
12 or governing board thereof, ~~of that institution~~ who or which shall be deemed the  
13 policyholder, covering students, ~~or~~ teachers, employees, or volunteers.

14 (d) Under a policy issued in the name of any volunteer or governmental fire  
15 department, first aid, civil defense, or other such volunteer group, which shall be  
16 deemed the policyholder, covering any group ~~all~~ of the members, participants, or  
17 volunteers incident to any activities or operations sponsored or supervised by ~~of~~ such  
18 department or group.

19 \* \* \*

20 (f) Under a policy or contract issued to a sports team, camp, or sponsor  
21 thereof which shall be deemed the policyholder, covering members, campers,  
22 employees, officials, supervisors, or volunteers.

23 (g) Under a policy or contract issued to a religious, charitable, recreational,  
24 educational, or civic organization or branch thereof, which shall be deemed the  
25 policyholder, covering any group of members, participants, or volunteers defined by  
26 reference to specified hazards incident to any activities or operations sponsored or  
27 supervised by or on the premises of such policyholder.

28 (h) Under a policy or contract issued to a newspaper or other publisher,  
29 which shall be deemed the policyholder, covering its carriers.

1           (i) Under a policy or contract issued to a restaurant, hotel, motel, resort,  
2           innkeeper, or other group with a high degree of potential customer liability, which  
3           shall be deemed the policyholder, covering patrons, guests, or volunteers.

4           (j) Under a policy or contract issued to a health maintenance organization,  
5           a health care provider or other arranger of health services, which shall be deemed the  
6           policyholder, covering subscribers, patients, donors, and surrogates, provided that  
7           the coverage is not made a condition of receiving care or that major medical health  
8           and accident coverage may not be provided to subscribers or other enrollees pursuant  
9           to this Section.

10           (k) Under a policy or contract issued to a bank or other financial association  
11           or institution, vendor, or to a parent holding company or to the trustee, trustees, or  
12           agent designated by one or more banks or other financial associations or institutions  
13           or vendors under which account holders, credit card holders, debtors, guarantors, or  
14           purchasers are insured.

15           (l) Under a policy or contract issued to an incorporated or unincorporated  
16           association of persons having a common interest or calling, formed for purposes  
17           other than obtaining insurance, which association shall be deemed the policyholder,  
18           covering members or participants of such association.

19           (m) Under a policy or contract issued to a travel agency or other organization  
20           that provides travel related services, which organization shall be deemed the  
21           policyholder, to cover all persons for which travel related services are provided.

22           (~~f~~) (n) Under a policy issued to any other ~~substantially similar group risk or~~  
23           ~~class of risks~~ which, in the discretion of the commissioner of insurance, may be  
24           subject to the issuance of a blanket health and accident policy. ~~The discretion of the~~  
25           ~~commissioner may be exercised on an individual risk basis or class of risks, or both.~~

26           (~~g~~) (o) Under a policy or contract issued to the Department of Health and  
27           Hospitals, which shall be deemed the policyholder, covering a group defined as all  
28           persons who are eligible for medical assistance pursuant to a coverage program  
29           implemented pursuant to approval of the secretary of the United States Department

1 of Health and Human Services using authority granted under Section 1115 of the  
2 Social Security Act.

3 ~~(h)~~ (p) An individual application shall not be required from a person covered  
4 under such a blanket policy. The insurer shall furnish to the policyholder for  
5 delivery to the insured a certificate of insurance which shall disclose the benefits,  
6 limitations, exclusions, and reductions contained in the policy and the provisions  
7 relating to notice of claim, proof of loss, time of payment of claim, and any other  
8 relevant information, including the name and address of the insurer. All benefits  
9 under any such blanket policy shall be payable to the person insured, or to his  
10 designated beneficiary or beneficiaries, if the policy permits the designation of  
11 named beneficiaries, or to his estate, except that if the person insured be a minor  
12 such benefits may be made payable to his parent, guardian, or other person actually  
13 supporting him.

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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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Burrell

HB No. 524

**Abstract:** Adds categories of special groups to the enumerated list of special groups which may be covered by blanket health and accident insurance.

(1) Present law authorizes any health and accident insurer in the state to issue policies described in present law.

Proposed law clarifies that those insurers can issue those policies if such policies do not conflict with state or federal law.

(2) Present law recognizes group health and accident insurance as a policy of health and accident insurance which covers more than one person, with certain exceptions.

(3) Present law recognizes blanket health and accident insurance as a type of group health and accident insurance that covers special groups of persons. Present law further lists these special groups.

Proposed law retains present law and adds to the list of special groups with respect to blanket health and accident insurance.

(4) Present law lists common carriers as a special group.

Proposed law retains present law and clarifies that the special group of "common carriers" includes any operator, owner, or lessee of a means of transportation that operates as a common carrier.

- (5) Present law lists employers as a special group, and states that the policy of insurance shall cover employees defined by reference to exceptional hazards incident to employment.

Proposed law alters present law to include coverage for dependents or guests of an employer, as defined by reference to hazards incident to any activities or operations of the employer-policyholder.

- (6) Present law lists colleges, schools, and other institutions of learning as a special group, stating that the head or principal of such institution of learning is the policyholder. Present law states that coverage may extend to students and teachers.

Proposed law retains present law and adds school districts and school jurisdiction units to the type of institutions of learning which may be recognized as a special group; further includes a governing board of such institution as a potential policyholder. Proposed law further extends coverage to employees and volunteers of such institutions.

- (7) Present law lists volunteer fire departments, first aid groups, and other such groups as a special group. Present law states that coverage extends to all members of such fire departments and first aid groups.

Proposed law retains present law and adds governmental fire departments, as well as civil defense groups. Proposed law further extends coverage to "participants" and "volunteers" of such departments and first aid or civil defense group, incident to sponsored or supervised activities.

- (8) Proposed law adds sports teams, camps, and their sponsors to the list of special groups, with coverage extended to members, campers, employees, officials, supervisors, and volunteers.

- (9) Proposed law adds religious, charitable, recreational, educational, and civic organizations to the list of special groups, with coverage extended to members participants, and volunteers.

- (10) Proposed law adds newspapers and their publishers to the list of special groups, with coverage extended to carriers of such newspapers.

- (11) Proposed law adds restaurants, hotels, motels, resorts, innkeepers, and establishments with a high degree of customer liability to the list of special groups, with coverage extended to patrons, guests, and volunteers.

- (12) Proposed law adds health maintenance organizations, health care providers and other arrangers of health services, with coverage extended to subscribers, patients, donors, and surrogates. Proposed law stipulates that such coverage shall not be made a condition precedent to such individuals receipt of care. Proposed law further stipulates that major medical health and accident coverage may not be provided to subscribers or other enrollees.

- (13) Proposed law adds banks and other financial associations or institutions to the list of special groups, with coverage extended to account holders, credit card holders, debtors, guarantors, and purchasers.

- (14) Proposed law adds incorporated and unincorporated associations of persons who have a common interest other than the purpose of obtaining insurance to the list of special groups. Coverage extends to members and participants of such associations.

- (15) Proposed law adds travel agencies and organizations that provide travel related services to the list of special groups, with coverage extended to all persons for which travel related services are provided.

- (16) Present law lists "substantially similar groups" as a special group which, subject to the discretion of the commissioner of insurance.

Proposed law changes "substantially similar group" to "risk or class of risks" and authorizes the commissioner to exercise his discretion on an individual risk basis or as a class of risks, or both.

- (17) Present law lists policies issued to the Department of Health and Hospitals as a special group.

Proposed law retains present law.

- (18) Present law states that an individual application shall not be required of a person covered by such a group blanket policy.

Proposed law retains present law.

(Amends R.S. 22:1000(A)(3)(a), (b), (c), (d), (f), (g), and (h); Adds R.S. 22:1000(A)(3)(i)-(p))

#### Summary of Amendments Adopted by House

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

1. Clarified that no policy issued pursuant to the provisions of proposed law shall conflict with other provisions of Title 22 of the Louisiana Revised Statutes of 1950 or with other provisions of federal law.
2. With respect to policies or contracts issued to health maintenance organization, clarified that major medical health and accident coverage may not be provided to subscribers or other enrollees pursuant to proposed law.