SLS 20RS-823

ORIGINAL

2020 Regular Session

SENATE BILL NO. 480

BY SENATOR ABRAHAM

INSURANCE POLICIES. Relative to renewal of stop-loss policies. (8/1/20)

1	AN ACT
2	To enact R.S. 22:883(C)(8) and (9), relative to stop loss insurance; to provide for guaranteed
3	renewability; to provide for rate increase limits for certain groups; and to provide for
4	related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 22:883(C)(8) and (9) are hereby enacted to read as follows:
7	§883. Stop-loss insurance coverage
8	* * *
9	C. A stop-loss or excess insurance policy form intended for issue to cover
10	losses of a group health plan, as defined in R.S. 22:1061(1), shall be submitted to the
11	Department of Insurance for prior approval pursuant to the policy form filing
12	requirements established by R.S. 22:861 and shall satisfy the following conditions:
13	* * *
14	(8)(a) For any small group as defined in R.S. 22:1091(B)(22), the
15	stop-loss or excess insurance policy shall be guaranteed renewable at the option
16	of the small group health plan.
17	(b) The stop loss carrier may non-renew or discontinue coverage based

Page 1 of 2 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	only on the failure of the small group health plan to timely pay premiums in
2	accordance with the terms of the policy or if it is determined that the small
3	group health plan has performed an act or practice that constitutes fraud or
4	made an intentional misrepresentation of material fact.
5	(9) For any small group as defined in R.S. 22:1091(B)(22), the stop-loss
6	or excess insurance policy shall not be subject to a premium increase of greater
7	than twenty-five percent for any renewal.
8	* * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Cooper.

SB 480 Original

DIGEST 2020 Regular Session

Abraham

<u>Present law</u> defines "stop loss coverage" as insurance covering the loss of an insured above a specific amount or a self-insurer for losses over a stated amount.

<u>Present law</u> requires any insurer authorized to issue property and casualty or health and accident policies to report any premiums written in this state for stop-loss or excess insurance coverage to the department in the manner prescribed by the commissioner.

<u>Present law</u> requires a stop-loss or excess insurance policy form intended for issue to cover losses of a group health plan as defined in <u>present law</u> to satisfy certain conditions.

<u>Proposed law</u> retains <u>present law</u> and adds to the required conditions the following:

- (1) For any small group defined in <u>present law</u>, the stop-loss or excess insurance policy shall be guaranteed renewable at the option of the small group health plan. The stop-loss carrier may non-renew or discontinue coverage only on the failure of the small group health plan to timely pay premiums or if the small group health plan has performed an act of fraud or made an intentional misrepresentation of material fact.
- (2) The stop-loss or excess insurance policy shall not be subject to a premium increase of greater than 25% for any renewal.

Effective August 1, 2020.

(Adds R.S. 22:883(C)(8) and (9))