

SENATE BILL NO. 16

BY SENATOR MCMATH

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

1 AN ACT

2 To enact R.S. 22:883(H) and (I), relative to health stop-loss insurance; to provide for the  
3 issuance of health stop-loss insurance coverage; to provide for criteria for health  
4 stop-loss plans issued to small employers; to provide for disclosure of certain  
5 information; to provide for policy applicability; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:883(H) and (I) are hereby enacted to read as follows:

8 §883. Stop-loss insurance coverage

9 \* \* \*

10 **H.(1) Health stop-loss insurance issued in connection with an employee**  
11 **benefit plan of a small employer as defined in R.S. 22:1061 shall be issued on or**  
12 **after January 1, 2026, only if the insurance policy satisfies all of the following:**

13 **(a) Is not subject to renewal rate increases exceeding the percentage**  
14 **change in the medical care index of the consumer price index over the duration**  
15 **of the previous plan year plus fifty percent, unless an increase greater than fifty**  
16 **percent is actuarially justified.**

17 **(b) Has a contract term with guaranteed rates for at least twelve months,**  
18 **without adjustment, unless there is a change in the benefits provided under the**  
19 **small employer's health plan during the contract period or the number of**  
20 **employees covered under the plan increases or decreases by more than fifteen**  
21 **percent.**

22 **(c) Includes either a specific attachment point or an aggregate**  
23 **attachment point in a contract, or both if the parties contract for both.**

24 **(d) Aligns stop-loss plan benefit limitations and exclusions with a small**  
25 **employer's health plan benefit limitations and exclusions, including any annual**

1 or lifetime limits in the employer's health plan except to the extent that the plan  
2 benefit or limitation is otherwise covered by the employer through other  
3 insurance.

4 (e) Pays stop-loss claims incurred during the contract period and paid  
5 within twenty-four months after the expiration date of the contract.

6 (f) Includes provisions to cover eligible plan claims regardless of the  
7 termination of the plan prior to the end of the contract period, subject to the  
8 stop-loss contract's minimum attachment points.

9 (2) No health stop-loss insurance issued in connection with an employee  
10 benefit plan of an employer with less than five employees shall be issued on or  
11 after January 1, 2026, if the insurance policy contains a provision permitting or  
12 authorizing the adjustment of specific deductibles or attachment points of a  
13 plan member or of specific diseases or conditions.

14 (3) The provisions of this Subsection shall not apply to any policy in  
15 effect prior to January 1, 2026.

16 I.(1) Any health stop-loss policy issued after January 1, 2026, shall  
17 include a separate disclosure form explaining the limitations of coverage,  
18 potential employer risk, and impact of claims on renewals. The employer shall  
19 sign the disclosure form prior to purchasing the policy.

20 (2) The commissioner of insurance shall develop a standardized  
21 disclosure form no later than January 1, 2026.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_