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 DIGEST

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SB 16 Reengrossed

2025 Regular Session

McMath

Present law provides requirements for insurers that issue stop-loss insurance.

Present law defines a small employer, in connection with a group health plan, as an employer who employed an average of not more than 50 employees on business days during the preceding calendar year and who employs at least one employee on the first day of the plan year.

Proposed law provides conditions for issuance of health stop-loss insurance policies issued in connection with employee benefit plans issued on or after January 1, 2026, to a small employer as defined in present law.

Proposed law requires any health stop-loss policy issued after January 1, 2026, include a separate disclosure form, developed by the commissioner, containing the limitations of coverage, employer risk, and impact of claims on renewals, and signed by the employer.

Proposed law prohibits health stop-loss insurance from being issued by an employer with less than five employees, if the employee benefit plan contains a provision that permits or authorizes the adjustment of specific deductibles, attachment points, or specific diseases or conditions.

Proposed law changes the date from November 1, 2025 to January 1, 2026, for which, the commissioner of insurance shall develop a standardized disclosure form.

Effective August 1, 2025.

(Adds R.S. 22:883(H) and (I))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Place conditions on the issuance of health stop-loss insurance in connection with employee benefit plans of small employers.
2. Remove provisions applicable to large employers.
3. Change effective date.
4. Make technical changes.

Senate Floor Amendments to engrossed bill

1. Remove requirements that policies be issued by only certain entities and be subject to certain state and federal laws.
2. Provide proposed law is applicable only to policies issued after January 1, 2026.
3. Change maximum renewal rate increase from the medical care index of the consumer price index plus 15% to plus 50%.

4. Add additional conditions policy must meet to be issued after January 1, 2026.
5. Require separate disclosure form for policies issued after January 1, 2026.
6. Make technical changes.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the reengrossed bill:

1. Add policy provisions relative to health stop-loss insurance of an employer with less than 5 employees.
2. Change the standardized disclosure form deadline date from November 1, 2025 to January 1, 2026.
3. Make technical changes.