

RÉSUMÉ DIGEST

ACT 400 (SB 16)

2025 Regular Session

McMath

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

Existing 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.

New 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 existing law.

New law requires that 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 be signed by the employer.

New law requires the payment of all unpaid claims within 24 months after the expiration date of the contract.

New law prohibits health stop-loss insurance from being issued by an insurer to 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.

New law provides that the commissioner of insurance shall develop a standardized disclosure form by January 1, 2026.

Effective August 1, 2025.

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