

2021 Regular Session

SENATE BILL NO. 102

BY SENATOR ABRAHAM

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

INSURANCE POLICIES. Provides with respect to certain group health insurance policies.
(8/1/21)

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AN ACT

To enact R.S. 22:883(C)(8) and (9), relative to stop-loss insurance; to provide for guaranteed renewability; to provide for rate increase limits for certain groups; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:883(C)(8) and (9) are hereby enacted to read as follows:

§883. Stop-loss insurance coverage

* * *

C. A stop-loss or excess insurance policy form intended for issue to cover losses of a group health plan, as defined in R.S. 22:1061(1), shall be submitted to the Department of Insurance for prior approval pursuant to the policy form filing requirements established by R.S. 22:861 and shall satisfy the following conditions:

* * *

(8)(a) For any small group as defined in R.S. 22:1091(B), the stop-loss or excess insurance policy shall be guaranteed renewable at the option of the small group health plan.

(b) The stop-loss carrier may nonrenew or discontinue coverage based

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), the stop-loss or
6 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.

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Present law 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.

Present law 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.

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

Proposed law retains present law and adds to the required conditions the following:

- (1) For any small group defined in present law, 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 nonrenew 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, 2021.

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