

2025 Regular Session

SENATE BILL NO. 16

BY SENATOR MCMATH

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

HEALTH/ACC INSURANCE. Provides relative to health stop-loss insurance. (8/1/25)

AN ACT

To enact R.S. 22:883(H), relative to health stop-loss insurance; to provide for the issuance of health stop-loss insurance coverage; to provide for a limit issuance to certain employers; to provide an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:883(H) is hereby enacted to read as follows:

§883. Stop-loss insurance coverage

* * *

H.(1) Health stop-loss insurance issued in connection with an employee benefit plan of a small employer as defined in R.S. 22:1061 shall be issued on or after August 1, 2025, only if the following conditions are met:

(a) The policy of insurance contains no provision permitting or authorizing the adjustment of specific deductibles or attachment points of a plan member or of specific diseases or conditions.

(b) The policy of insurance is not subject to renewal rate increases exceeding the medical care index of the consumer price index plus fifteen percent, unless an increase greater than fifteen percent is actuarially justified.

1 **(c) The policy of insurance is issued by a licensed health insurance issuer,**
 2 **health maintenance organization, or third-party administrator, or through**
 3 **affiliates within an insurance holding company system, who issues policies of**
 4 **health and accident insurance to small employers as defined in R.S. 22:1061 and**
 5 **the policies are subject to the requirements of Subpart C of Part III of Chapter**
 6 **4 of this Title and the requirements of Subchapter XXV of Chapter 6A of Title**
 7 **42 of the United States Code.**

8 **(2) The provisions of this Subsection shall not apply to any policy in**
 9 **effect prior to August 1, 2025.**

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 16 Engrossed

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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 places conditions on the issuance of health stop-loss insurance issued in connection with an employee benefit plan issued on or after August 1, 2025, to a small employer as defined in present law.

Effective August 1, 2025.

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

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.