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CONFERENCE COMMITTEE REPORT DIGEST

SB 16

2025 Regular Session

McMath

Keyword and summary of the bill as proposed by the Conference Committee

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

Report adopts House amendments to:

1. Add policy provisions relative to health stop-loss insurance of an employer with less than 5 employees.
2. Change the standardized disclosure form promulgation deadline date from November 1, 2025 to January 1, 2026.
3. Add provision that the renewal rate increase will not exceed the percentage change in the medical care index of the consumer price index over the previous plan year plus fifty percent.
4. Add provision that the contract term's guaranteed rates may change if the number of covered employees increases or decreases by more than fifteen percent.
5. Change requirement that the contract include both a specific attachment point and an aggregate attachment point to a requirement that the contract include either provision, unless the parties agree otherwise.
6. Allow exception to requirement that stop-loss benefits align with employer's health plan benefits.
7. Add provision requiring payment of eligible plan claims regardless of the termination of the plan prior to the end of the contract period.
8. Make technical changes.

Report rejects House amendments which would have:

1. Changed the deadline for payment of unpaid claims after the expiration date of the contract from 48 months to 12 months.
2. Added provision requiring payment of eligible plan claims regardless of the termination of the plan prior to the end of the contract period subject to any minimum premium requirement and the contract's minimum attachment points.

Report amends the bill to:

1. Change the deadline for payment of unpaid claims after the expiration date of the contract from 48 months to 24 months.
2. Add provision requiring payment of eligible plan claims regardless of the termination of the plan prior to the end of the contract period, subject to the contract's minimum attachment points.

Digest of the bill as proposed by the Conference Committee

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

Proposed 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.

Proposed 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))