

Regular Session, 2012

HOUSE BILL NO. 1196 (Substitute for House Bill No. 868 by Representative Pearson)

BY REPRESENTATIVE PEARSON

1 AN ACT

2 To amend and reenact R.S. 22:1046(B), (C), (F), and (G)(3) and (4) and to repeal R.S.
3 22:1046(E), relative to group health plans; to provide for continuation of group
4 health plans; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1046(B), (C), (F), and (G)(3) and (4) are hereby amended and
7 reenacted to read as follows:

8 §1046. Group health insurance continuation

9 * * *

10 B. A group policy delivered or issued for delivery in this state which insures
11 employees or members, and their eligible dependents, if they have elected to include
12 them, for hospital, surgical or major medical insurance on an expense incurred or
13 service basis, other than for specific diseases or for accidental injuries only, shall
14 provide that employees or members whose insurance for these types of coverage
15 under the group policy would otherwise terminate because of termination of active
16 employment or membership, ~~or termination of membership in the eligible class or~~
17 ~~classes under the policy~~ death or divorce of the employee or member shall be entitled
18 to continue their hospital, surgical, and medical insurance under that group policy,
19 for themselves ~~and~~ or their eligible dependents ~~with respect to whom they~~ who were
20 insured on the date of termination, subject to all of the group policy's terms and
21 conditions applicable to those forms of insurance and to the conditions specified in
22 this Section. The terms and conditions set forth in this Section are intended as
23 minimum requirements and shall not be construed to impose additional or different
24 requirements upon those group hospital, surgical, or major medical plans already in

1 force, or hereafter placed into effect, that provide continuation benefits equal to or
2 better than those required in this Section.

3 C. Continuation shall ~~only~~ be available ~~to an~~ under this Section only if the
4 employee or member ~~who~~ has been continuously insured under the group policy, or
5 for similar benefits under any other group policy that it replaced, during the period
6 of three consecutive months immediately prior to the date of termination. ~~The~~
7 ~~continued policy must cover all dependents covered under the group policy.~~

8 * * *

9 F. An employee or member electing continuation shall pay to the group
10 policyholder or his employer, in advance, the amount of contribution required by the
11 policyholder or employer, but not more than the full group rate for the insurance
12 applicable to the employee or member under the group policy on the due date of each
13 payment. The employee or member shall not be required to pay the amount of the
14 contribution less often than monthly. In order to be eligible for continuation of
15 coverage, the employee or member shall make a written election of continuation, on
16 a form provided by the group policyholder, and pay the first contribution, in advance,
17 to the policyholder or employer ~~on or before the date on which the employee's or~~
18 ~~member's insurance would otherwise terminate.~~ no later than the end of the month
19 following the month in which the event that made the employee or member eligible
20 for coverage under this Section occurs. Such form shall be as prescribed in this
21 Section. If the dependent is eligible due to divorce, the event shall be deemed to have
22 occurred on the date of the judgment of divorce.

23 G. Continuation of insurance under the group policy for any person shall
24 terminate on the earliest of the following dates:

25 * * *

26 (3) The date the employee or member becomes or is eligible to become
27 covered for similar benefits under any arrangement of coverage for individuals in a
28 group, whether insured or ~~uninsured~~ self-insured.

29 (4) The date on which the group policy is terminated or, in the case of a
30 multiple employer plan, the date his employer terminates participation under the

1 group master policy. ~~When this occurs the employee or member shall have a~~
 2 conversion privilege if the date of termination precedes that on which his actual
 3 continuation of insurance under that policy would have terminated. ~~The insurer that~~
 4 insured the group prior to the date of termination shall make a converted policy
 5 available to the employee or member.

* * *

7 Section 2. R.S. 22:1046(E) is hereby repealed in its entirety.

8 Section 3. This Act shall become effective on January 1, 2013.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____