

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1031 Session of 2009

INTRODUCED BY GOODMAN, BELFANTI, BISHOP, BRENNAN, CARROLL, DeLUCA, DONATUCCI, GEIST, GEORGE, HALUSKA, HESS, JOSEPHS, KORTZ, MAHONEY, MILLER, M. O'BRIEN, READSHAW, SIPTROTH, STABACK, STURLA, VULAKOVICH, WHEATLEY AND WHITE, MARCH 19, 2009

REFERRED TO COMMITTEE ON INSURANCE, MARCH 19, 2009

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
 2 act relating to insurance; amending, revising, and
 3 consolidating the law providing for the incorporation of
 4 insurance companies, and the regulation, supervision, and
 5 protection of home and foreign insurance companies, Lloyds
 6 associations, reciprocal and inter-insurance exchanges, and
 7 fire insurance rating bureaus, and the regulation and
 8 supervision of insurance carried by such companies,
 9 associations, and exchanges, including insurance carried by
 10 the State Workmen's Insurance Fund; providing penalties; and
 11 repealing existing laws," providing for notice of termination
 12 of health insurance coverage.

13 The General Assembly of the Commonwealth of Pennsylvania
 14 hereby enacts as follows:

15 Section 1. The act of May 17, 1921 (P.L.682, No.284), known
 16 as The Insurance Company Law of 1921, is amended by adding a
 17 section to read:

18 Section 635.4. Notice of Termination.--(a) Within ninety
 19 (90) days of an employer's decision to terminate coverage of
 20 employees under a health insurance policy, the employer shall
 21 notify the insurer in writing of the decision. The insurer shall

1 provide written notice of the employer's decision to insureds
2 within ten (10) days of the date of notification. If an employer
3 fails to notify an insurer under this subsection, an insurer
4 shall provide written notice to insureds of the employer's
5 decision within ten (10) days of the date of termination of
6 coverage.

7 (b) An employer shall provide written notification of the
8 employer's decision to terminate coverage of employees under a
9 health insurance policy to the affected employees ninety (90)
10 days or more in advance of the effective date of the termination
11 of coverage.

12 (c) An employer that fails to comply with the notification
13 provisions of this section shall be responsible for payment of
14 any costs of medical care that would have been covered under a
15 terminated health insurance policy incurred by an employe during
16 the ninety (90) day period following the date of termination of
17 coverage.

18 (d) This section shall apply to any health insurance policy
19 offered, issued or renewed on or after the effective date of
20 this subsection.

21 (e) This section shall not apply to the following types of
22 policies:

- 23 (1) Accident only.
- 24 (2) Fixed indemnity.
- 25 (3) Limited benefit.
- 26 (4) Credit.
- 27 (5) Dental.
- 28 (6) Vision.
- 29 (7) Specified disease.
- 30 (8) Medicare supplement.

1 (9) Civilian Health and Medical Program of the Uniformed
2 Services (CHAMPUS) supplement.

3 (10) Long-term care or disability income.

4 (11) Workers' compensation.

5 (12) Automobile medical payment.

6 (f) As used in this section:

7 "Health insurance policy" means any individual or group
8 health, sickness or accident policy, subscriber contract,
9 certificate or plan issued by an entity subject to one of the
10 following:

11 (1) This act.

12 (2) The act of December 29, 1972 (P.L.1701, No.364), known
13 as the "Health Maintenance Organization Act."

14 (3) The act of May 18, 1976 (P.L.123, No.54), known as the
15 "Individual Accident and Sickness Insurance Minimum Standards
16 Act."

17 (4) 40 Pa.C.S. Ch. 61 (relating to hospital plan
18 corporations) or 63 (relating to professional health services
19 plan corporations).

20 "Insurer" means any entity that issues a health insurance
21 policy.

22 Section 2. This act shall take effect in 60 days.