



# House of Representatives

General Assembly

**File No. 144**

February Session, 2000

Substitute House Bill No. 5165

*House of Representatives, March 21, 2000*

The Committee on Labor and Public Employees reported through REP. DONOVAN of the 84<sup>th</sup> Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***An Act Concerning The Continuation Of Health Insurance Coverage Following A Plant Closing.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 31-51o of the general statutes is repealed and the following  
2 is substituted in lieu thereof:

3 (a) Whenever a relocation or closing of a covered establishment  
4 occurs, the employer of the covered establishment shall: [pay]

5 (1) Pay in full for the continuation of existing group health  
6 insurance, no matter where the group policy was written, issued or  
7 delivered, for each affected employee and [his] such employee's  
8 dependents, if covered under the group policy, from the date of  
9 relocation or closing for a period of one hundred twenty days or until  
10 such time as the employee becomes eligible for other group coverage,  
11 whichever is the lesser, provided any right of such employee and [his]

12 such employee's dependents to a continuation of coverage for up to  
13 seventy-eight or one hundred fifty-six weeks, as the case may be, as  
14 required by section 38a-538 or 38a-554 shall not be affected by the  
15 provisions of this section, and provided further the period of  
16 continued coverage required by said sections shall not commence until  
17 the period of continued coverage established by this section has  
18 terminated; or

19 (2) Pay to each affected employee an amount equivalent to the cost  
20 of continuing the employee's existing group health insurance, no  
21 matter where the group policy was written, issued or delivered, for the  
22 employee and the employee's dependents, if covered under the group  
23 policy, from the date of relocation or closing for a period of one  
24 hundred twenty days or until such time as the employee becomes  
25 eligible for other group coverage, whichever is the lesser.

26 (b) The provisions of this section [shall] do not apply to those  
27 employees who, upon the relocation or closing of a covered  
28 establishment, choose to continue their employment with the employer  
29 at the new location of the facility.

30 (c) Notwithstanding the provisions of this section, any contractual  
31 agreement arrived at through a collective bargaining process that  
32 contains provisions requiring the employer to pay for the continuation  
33 of existing group health insurance for [his] the employer's affected  
34 employees in the event of a relocation or closing of a covered  
35 establishment shall supersede the requirements of this section and, in  
36 the event of a conflict, the contractual provisions shall be deemed to be  
37 controlling.

**LAB Committee Vote:** Yea 12 Nay 1 JFS

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

---

**OFA Fiscal Note**

**State Impact:** None

**Affected Agencies:** Department of Insurance

**Municipal Impact:** None

**Explanation**

**State Impact:**

There will be no fiscal impact on the Department of Insurance from the passage of this bill. The bill allows an employer that closes or relocates a plant to pay employees that are going to lose their jobs the costs of providing their group health coverage for 120 days.

---

**OLR Bill Analysis**

sHB 5165

***AN ACT CONCERNING THE CONTINUATION OF HEALTH INSURANCE COVERAGE FOLLOWING A PLANT CLOSING.***

**SUMMARY:**

This bill permits an employer that (1) closes or relocates an industrial, commercial, or business facility and (2) had at least 100 employees at any time in the previous year to pay employees that are going to lose their jobs an amount equal to the employer's cost of providing group health benefits to them and their dependents for 120 days instead of providing these benefits for 120 days as current law requires.

As under existing law: (1) the 120 days begin on the plant relocation or closing date, (2) affected employees must be receiving health benefits, and (3) the employer's responsibility to pay ends when the employee becomes eligible for other group health insurance.

EFFECTIVE DATE: October 1, 2000

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 12 Nay 1