



General Assembly

January Session, 2001

Committee Bill No. 5209

LCO No. 4884

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

**AN ACT REQUIRING NOTICE OF HEALTH INSURANCE
TERMINATION.**

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

1 Section 1. Subdivision (8) of subsection (b) of section 38a-483 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof:

4 (8) A provision as follows: "CANCELLATION: The insurer may
5 cancel this policy at any time by providing sixty days prior written
6 notice delivered to the insured and to any dependents who were listed
7 on the application and any subsequent revisions thereto, or mailed to
8 their last address as shown by the records of the insurer, stating when,
9 not less than [five] sixty days [thereafter] after the date of the notice,
10 such cancellation shall be effective; and after the policy has been
11 continued beyond its original term the insured may cancel this policy
12 at any time by written notice delivered or mailed to the insurer,
13 effective upon receipt or on such later date as may be specified in such
14 notice. In the event of cancellation, the insurer [will] shall return
15 promptly the unearned portion of any premium paid. If the insured
16 cancels, the earned premium shall be computed by the use of the short-

17 rate table last filed with the state official having supervision of
18 insurance in the state where the insured resided when the policy was
19 issued. If the insurer cancels, the earned premium shall be computed
20 pro-rata. Cancellation shall be without prejudice to any claim
21 originating prior to the effective date of cancellation."

22 Sec. 2. (NEW) (a) Each insurance company, hospital service
23 corporation, medical service corporation, health care center or fraternal
24 benefit society that delivers, issues for delivery, renews, amends or
25 continues a group health insurance policy in this state shall furnish
26 each insured individual with written notice of cancellation or
27 discontinuation of coverage at least sixty days prior to the effective
28 date of cancellation or discontinuation. The notice shall be mailed to
29 the insured individual at the insured's last-known home address.

30 (b) In order to provide notice pursuant to subsection (a) of this
31 section, such insurance company, hospital service corporation, medical
32 service corporation, health care center or fraternal benefit society shall
33 maintain a list of the home addresses of all individuals covered under
34 such group policies and shall update the list annually.

35 Sec. 3. Subsection (a) of section 38a-537 of the general statutes is
36 repealed and the following is substituted in lieu thereof:

37 (a) Any individual, partnership, corporation, or unincorporated
38 association providing group health insurance coverage for its
39 employees shall furnish each insured employee, upon cancellation or
40 discontinuation of such health insurance, notice of the cancellation or
41 discontinuation of such insurance. The notice shall be mailed or
42 delivered to the insured employee not less than [fifteen days next
43 preceding] sixty days before the effective date of cancellation or
44 discontinuation. Any individual or any such entity [which] that fails to
45 provide timely notice shall be fined not more than one thousand
46 dollars for each violation. The Labor Commissioner shall have the
47 authority to assess all such fines. This section shall apply to any such
48 individual, partnership, corporation or unincorporated association

49 [which] that substitutes one policy providing such group health
50 insurance coverage for another such policy with no interruption in
51 coverage.

Statement of Purpose:

To require that each health insurer provides at least sixty days advance written notice to any individual whose health insurance coverage will be cancelled, regardless of whether the coverage was afforded under a group or individual policy.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. GREENE, 105th Dist.