



General Assembly

**Substitute Bill No. 5209**

*January Session, 2001*

**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2 general statutes is repealed and the following is substituted in lieu  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 fifteen 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]~~ fifteen 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) 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 group policyholder with written notice of cancellation or  
27 discontinuation of coverage at least fifteen days prior to the effective  
28 date of cancellation or discontinuation. The notice shall be mailed to  
29 the group policyholder.

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31 repealed and the following is substituted in lieu thereof:

32 (a) Any individual, partnership, corporation, or unincorporated  
33 association providing group health insurance coverage for its  
34 employees shall furnish each insured employee, upon cancellation or  
35 discontinuation of such health insurance, notice of the cancellation or  
36 discontinuation of such insurance. The notice shall be mailed or  
37 delivered to the insured employee not less than fifteen days [next  
38 preceding] before the effective date of cancellation or discontinuation.  
39 Any individual or any such entity [which] that fails to provide timely  
40 notice shall be fined not more than one thousand dollars for each  
41 violation. The Labor Commissioner shall have the authority to assess  
42 all such fines. This section shall apply to any such individual,  
43 partnership, corporation or unincorporated association [which] that  
44 substitutes one policy providing such group health insurance coverage  
45 for another such policy with no interruption in coverage.

**PH** *Joint Favorable Subst.*