



General Assembly

February Session, 2002

Amendment

LCO No. 5130

SB0032405130SD0

Offered by:

SEN. FONFARA, 1st Dist.

To: Senate Bill No. 324

File No. 200

Cal. No. 151

**"AN ACT CONCERNING DISCLOSURE OF HEALTH BENEFITS BY
INSURERS TO BARGAINING AGENTS."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 38a-815 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective October 1, 2002*):

5 No person shall engage in this state in any trade practice which is
6 defined in section 38a-816, as amended, as, or determined pursuant to
7 sections 38a-817 and 38a-818 to be, an unfair method of competition or
8 an unfair or deceptive act or practice in the business of insurance, nor
9 shall any domestic insurance company engage outside of this state in
10 any act or practice defined in [subsections] subdivisions (1) to (12),
11 inclusive, of section 38a-816, as amended. The commissioner shall have
12 power to examine the affairs of every person engaged in the business
13 of insurance in this state in order to determine whether such person
14 has been or is engaged in any unfair method of competition or in any

15 unfair or deceptive act or practice prohibited by sections 38a-815 to
 16 38a-819, inclusive, as amended. When used in said sections, (1)
 17 "person" means any individual, corporation, limited liability company,
 18 association, partnership, reciprocal exchange, interinsurer, Lloyd's
 19 insurer, fraternal benefit society and any other legal entity engaged in
 20 the business of insurance, including producers and adjusters; (2) "the
 21 business of insurance" includes, but is not limited to, business
 22 conducted by a utilization review company pursuant to an agreement
 23 between the utilization review company and an insurer or health care
 24 center in which the insurer or health care center transfers all or part of
 25 its risk to pay health insurance claims and perform utilization review
 26 with respect to certain insureds or subscribers; (3) "utilization review"
 27 has the meaning set forth in section 38a-226; and (4) "utilization review
 28 company" has the meaning set forth in section 38a-226.

29 Sec. 2. (NEW) (*Effective October 1, 2002*) In any administrative or
 30 judicial action brought against a managed care organization, as
 31 defined in section 38a-478 of the general statutes, it shall not be a
 32 defense that the managed care organization's duties were performed
 33 by or delegated to a person, as defined in section 38a-1 of the general
 34 statutes."

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| This act shall take effect as follows: | |
| Section 1 | <i>October 1, 2002</i> |
| Sec. 2 | <i>October 1, 2002</i> |