



General Assembly

January Session, 2007

Raised Bill No. 7054

LCO No. 3740

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Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

**AN ACT CONCERNING THE CONNECTICUT SMALL EMPLOYER
HEALTH REINSURANCE POOL.**

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

1 Section 1. Subsection (b) of section 38a-569 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2007*):

4 (b) Any member may reinsure with the pool coverage of an eligible
5 employee of a small employer, or any dependent of such an employee,
6 [, except that no member may reinsure with the pool coverage of an
7 eligible employee of a small employer, or any dependent of such an
8 employee, whose premium rates are not subject to section 38a-567
9 pursuant to subdivision (22) of section 38a-567.] Any reinsurance
10 placed with the pool from the date of the establishment of the pool
11 regarding the coverage of an eligible employee of a small employer, or
12 any dependent of such an employee shall be provided as follows:

13 (1) (A) With respect to a special health care plan or a small employer
14 health care plan, the pool shall reinsure the level of coverage provided;
15 (B) with respect to other plans, the pool shall reinsure the level of

16 coverage provided up to, but not exceeding, the level of coverage
17 provided in a small employer health care plan or the actuarial
18 equivalent thereof as defined and authorized by the board; and (C) in
19 either case, no reinsurance may be provided in any calendar year for a
20 reinsured employee or dependent until five thousand dollars in benefit
21 payments have been made for services provided during that calendar
22 year for that reinsured employee or dependent, which payments
23 would have been reimbursed through said reinsurance in the absence
24 of the annual five-thousand-dollar deductible. The amount of the
25 deductible shall be periodically reviewed by the board and may be
26 adjusted for appropriate factors as determined by the board;

27 (2) With respect to eligible employees, and their dependents,
28 coverage may be reinsured: (A) Within such period of time after the
29 commencement of their coverage under the plan as may be authorized
30 by the board, or (B) commencing January 1, 1992, on the first plan
31 anniversary after the employer's coverage has been in effect with the
32 small employer carrier for a period of three years, and every third plan
33 anniversary thereafter, provided, commencing May 1, 1994,
34 reinsurance pursuant to this subparagraph shall only be permitted
35 with respect to eligible employees and their dependents of a small
36 employer which has no more than two eligible employees as of the
37 applicable anniversary;

38 (3) Reinsurance coverage may be terminated for each reinsured
39 employee or dependent on any plan anniversary;

40 (4) Reinsurance of newborn dependents shall be allowed only if the
41 mother of any such dependent is reinsured as of the date of birth of
42 such child, and all newborn dependents of reinsured persons shall be
43 automatically reinsured as of their date of birth; and

44 (5) Notwithstanding the provisions of subparagraph (A) of
45 subdivision (2) of this subsection: (A) Coverage for eligible employees
46 and their dependents provided under a group policy covering two or
47 more small employers shall not be eligible for reinsurance when such

48 coverage is discontinued and replaced by a group policy of another
49 carrier covering two or more small employers, unless coverage for
50 such eligible employees or dependents was reinsured by the prior
51 carrier; and (B) at the time coverage is assumed for such group by a
52 succeeding carrier, such carrier shall notify the pool of its intention to
53 provide coverage for such group and shall identify the employees and
54 dependents whose coverage will continue to be reinsured. The time
55 limitations for providing such notice shall be established by the pool.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2007	38a-569(b)

Statement of Purpose:

To provide that a member may reinsure with the pool coverage of an eligible employee of a small employer or any dependent of such an employee whose premium rates are not subject to section 38a-567 of the general statutes.

[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.]