



General Assembly

February Session, 2008

**Raised Bill No. 5519**

LCO No. 1393

\*01393\_\_\_\_\_INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

**AN ACT CONCERNING EMPLOYER HEALTH INSURANCE PREMIUM PAYMENTS FOR TERMINATED EMPLOYEES.**

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

1 Section 1. (NEW) (*Effective October 1, 2008*) (a) In the event (1) an  
2 employer, as defined in section 31-58 of the general statutes, terminates  
3 an employee for any reason other than layoff; or (2) an employee  
4 voluntarily terminates employment with an employer, such employer  
5 may elect not to pay the premium for such employee under a group  
6 health insurance policy after the date of such employee's termination.  
7 In the event such employer makes such election, any insurer, health  
8 care center, hospital or medical service corporation or fraternal benefit  
9 society that issues such group health insurance policy shall credit such  
10 employer the amount of any premium paid by such employer with  
11 respect to such policy for such employee to the date of such employee's  
12 termination, provided the employer notifies the insurer and the  
13 terminated employee within seventy-two hours of the termination.  
14 Upon the issuance or renewal of such policy, such insurer, health care  
15 center, hospital or medical service corporation or fraternal benefit  
16 society shall provide such employer with relevant information related

17 to such employer's election, including the employer's responsibility to  
18 remit to the terminated employee such employee's portion of the  
19 credited premium. Any such credit shall be applied upon the  
20 subsequent renewal of such policy if such employer requests such  
21 credit prior to the policy renewal date. In the event of nonrenewal of  
22 such policy, the insurer, health care center, hospital or medical service  
23 corporation or fraternal benefit society shall refund such credit to the  
24 employer.

25 (b) Notwithstanding the provisions of subsection (a) of this section,  
26 (1) any contractual agreement arrived at through collective bargaining  
27 that requires the employer to pay the premium for an employee under  
28 a group health insurance policy after the date of such employee's  
29 termination shall supersede the provisions of subsection (a) of this  
30 section, and in the event of a conflict, the contractual agreement shall  
31 be deemed to be controlling; and (2) no credit shall be available to an  
32 employer for any employee's coverage if such employee or any of the  
33 employee's covered dependents received health care services during  
34 the period for which the credit is requested.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008</i>	New section

**Statement of Purpose:**

To provide that employers may elect not to be responsible for the payment of the premium for group health insurance plans for employees who are terminated or who voluntarily terminate their employment, after the date of such employees' termination.

*[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.]*