



General Assembly

January Session, 2009

**Raised Bill No. 962**

LCO No. 3527

\*03527 \_\_\_\_\_ INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

**AN ACT CONCERNING WELLNESS INCENTIVES.**

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

1 Section 1. (NEW) (*Effective January 1, 2010*) (a) Any insurer, health  
2 care center, hospital service corporation, medical service corporation,  
3 fraternal benefit society or other entity that delivers, issues for  
4 delivery, renews, amends or continues in this state a group health  
5 insurance policy providing coverage of the type specified in  
6 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general  
7 statutes, shall offer a reasonably designed health behavior wellness,  
8 maintenance or improvement program that allows for a reward, a  
9 health spending account contribution, a reduction in premiums or  
10 reduced medical, prescription drug or equipment copayment,  
11 coinsurance or deductible, or a combination of these incentives, for  
12 participation in such program.

13 (b) Any such incentive or reward shall not exceed twenty per cent of  
14 the paid premiums and shall comply with all nondiscrimination  
15 requirements under the Health Insurance Portability and  
16 Accountability Act of 1996 (P.L. 104-191) (HIPAA), as amended from

17 time to time, or regulations adopted thereunder.

18 (c) The insured or enrollee shall provide evidence of participation in  
19 such program to the insurer, health care center or other entity set forth  
20 in subsection (a) of this section in a manner approved by the Insurance  
21 Commissioner.

22 (d) The Insurance Commissioner, in consultation with the  
23 Commissioner of Public Health, shall adopt regulations, in accordance  
24 with chapter 54 of the general statutes, to establish the criteria and  
25 procedures of approval of such health behavior wellness, maintenance  
26 or improvement programs.

27 Sec. 2. Section 38a-825 of the general statutes is repealed and the  
28 following is substituted in lieu thereof (*Effective January 1, 2010*):

29 [No] Except as provided in section 1 of this act, no insurance  
30 company doing business in this state, or attorney, producer or any  
31 other person shall pay or allow, or offer to pay or allow, as inducement  
32 to insurance, any rebate of premium payable on the policy, or any  
33 special favor or advantage in the dividends or other benefits to accrue  
34 thereon, or any valuable consideration or inducement not specified in  
35 the policy of insurance. [No] Except as provided in section 1 of this act,  
36 no person shall receive or accept from any company, or attorney,  
37 producer or any other person, as inducement to insurance, any such  
38 rebate of premium payable on the policy, or any special favor or  
39 advantage in the dividends or other benefit to accrue thereon, or any  
40 valuable consideration or inducement not specified in the policy of  
41 insurance. No person shall be excused from testifying or from  
42 producing any books, papers, contracts, agreements or documents, at  
43 the trial of any other person charged with the violation of any  
44 provision of this section or of section 38a-446, on the ground that such  
45 testimony or evidence may tend to incriminate him, but no person  
46 shall be prosecuted for any act concerning which he is compelled to so  
47 testify or produce documentary or other evidence, except for perjury  
48 committed in so testifying.

49 Sec. 3. Subdivision (9) of section 38a-816 of the general statutes is  
50 repealed and the following is substituted in lieu thereof (*Effective*  
51 *January 1, 2010*):

52 (9) Any violation of any one of sections 38a-358, 38a-446, 38a-447,  
53 38a-488, 38a-825, as amended by this act, 38a-826, 38a-828 and 38a-829.  
54 None of the following practices shall be considered discrimination  
55 within the meaning of section 38a-446 or 38a-488 or a rebate within the  
56 meaning of section 38a-825: (a) Paying bonuses to policyholders or  
57 otherwise abating their premiums in whole or in part out of surplus  
58 accumulated from nonparticipating insurance, provided any such  
59 bonuses or abatement of premiums shall be fair and equitable to  
60 policyholders and for the best interests of the company and its  
61 policyholders; (b) in the case of policies issued on the industrial debit  
62 plan, making allowance to policyholders who have continuously for a  
63 specified period made premium payments directly to an office of the  
64 insurer in an amount which fairly represents the saving in collection  
65 expense; (c) readjustment of the rate of premium for a group insurance  
66 policy based on loss or expense experience, or both, at the end of the  
67 first or any subsequent policy year, which may be made retroactive for  
68 such policy year; (d) paying a reward, making a health spending  
69 account contribution, or allowing a reduction in premiums or reduced  
70 medical, prescription drug or equipment copayment, coinsurance or  
71 deductible, or a combination of these incentives to an insured or  
72 enrollee in accordance with section 1 of this act.

73 Sec. 4. Section 38a-623 of the general statutes is repealed and the  
74 following is substituted in lieu thereof (*Effective January 1, 2010*):

75 No society doing business in this state shall make or permit any  
76 unfair discrimination between insured members of the same class and  
77 equal expectation of life in the premiums charged for certificates of  
78 insurance, in the dividends or other benefits payable thereon or in any  
79 other of the terms and conditions of the contracts it makes. [No] Except  
80 as provided in section 1 of this act, no society, by itself, or any other

81 party, and no agent or solicitor, personally, or by any other party, shall  
82 offer, promise, allow, give, set off or pay, directly or indirectly, any  
83 valuable consideration or inducement to or for insurance, on any risk  
84 authorized to be taken by such society [, which] that is not specified in  
85 the certificate. [No] Except as provided in section 1 of this act, no  
86 member shall receive or accept, directly or indirectly, any rebate of  
87 premium, or part thereof, or agent's or solicitor's commission thereon,  
88 payable on any certificate or receive or accept any favor or advantage  
89 or share in the dividends or other benefits to accrue on, or any  
90 valuable consideration or inducement not specified in, the contract of  
91 insurance.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2010</i>	New section
Sec. 2	<i>January 1, 2010</i>	38a-825
Sec. 3	<i>January 1, 2010</i>	38a-816(9)
Sec. 4	<i>January 1, 2010</i>	38a-623

**Statement of Purpose:**

To promote health behavior wellness, maintenance or improvement program participation by requiring such programs to be offered and to require an incentive or reward for such participation.

*[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.]*