



General Assembly

February Session, 2010

Raised Bill No. 5305

LCO No. 1308

01308_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

**AN ACT EXEMPTING FROM REGULATION CERTAIN NONPROFIT
VOLUNTEER AMBULANCE SERVICES OR COMPANIES.**

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

1 Section 1. Subsection (a) of section 38a-41 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2010*):

4 (a) (1) No insurance company or health care center shall do any
5 insurance business or health care center business within this state until
6 and except while it is permitted to do so under the terms of a license
7 issued by the commissioner. Any such company desiring to obtain
8 such a license shall make application to the commissioner, setting forth
9 the line or lines of business which it is seeking authorization to write. It
10 shall file with the commissioner a certified copy of its charter or
11 articles of association and evidence satisfactory to the commissioner
12 that it has complied with the laws of the jurisdiction under which it is
13 organized, a statement of its financial condition in such form as is
14 required by the commissioner, together with such evidence of its
15 correctness as the commissioner requires and evidence of good
16 management in such form as is required by the commissioner.

17 Applicant companies licensed in and operated from administrative
18 offices in one state but domiciled in another state, as permitted by the
19 applicable state law, shall provide justification of such arrangement,
20 satisfactory to the commissioner, which shall demonstrate that
21 regulatory influence of the domiciliary supervisory official has not
22 been diminished as a result of such arrangement. An applicant shall
23 demonstrate an orderly pattern of growth in its marketing territories in
24 the geographic region, with the exception of a newly formed health
25 care center, and an expertise in marketing and servicing the lines of
26 insurance or the health care center business it desires to write. It shall
27 submit evidence of its ability to provide continuant and timely claims
28 settlement. If the information furnished is satisfactory to the
29 commissioner and if all other requirements of law have been complied
30 with, he may issue to such company a license permitting it to do
31 business in this state. Each such license shall expire on the first day of
32 May succeeding the date of its issuance, but may be renewed without
33 any formalities except as required by the commissioner. Failure of a
34 licensed company to exercise its authority to write a particular line or
35 lines of business in this state for two consecutive calendar years may
36 constitute sufficient cause for revocation of the company's authority to
37 write those lines of business.

38 (2) An ambulance service or company that provides emergency
39 medical services on a subscription basis and is a nonprofit volunteer
40 organization shall not be deemed to be engaged in the business of
41 insurance.

42 Sec. 2. Subsection (a) of section 38a-479qq of the general statutes is
43 repealed and the following is substituted in lieu thereof (*Effective*
44 *October 1, 2010*):

45 (a) As used in this section and section 38a-479rr:

46 (1) "Affiliate" means a person that directly or indirectly through one
47 or more intermediaries, controls, or is controlled by, or is under
48 common control with, a health insurer, health care center, hospital

49 service corporation, medical service corporation or fraternal benefit
50 society licensed in this state;

51 (2) "Consumer" means: (A) A person to whom a medical discount
52 plan is marketed or advertised, or (B) a member, as defined in this
53 subsection;

54 (3) "Marketer" means a person that markets, advertises or sells a
55 medical discount plan, including, but not limited to, an entity that
56 markets, advertises or sells a medical discount plan under its own
57 name;

58 (4) "Medical discount plan" means a business arrangement or
59 contract in which a person, in exchange for payment, provides access
60 for its members to providers of health care services and the right to
61 receive health care services from those providers at a discount.
62 "Medical discount plan" does not include a product that (A) is
63 otherwise subject to regulation or approval under this title, or (B) costs
64 less than twenty-five dollars, annually, in the aggregate;

65 (5) "Medical discount plan organization" means a person that (A)
66 establishes a medical discount plan, (B) contracts with providers,
67 provider networks or other medical discount plan organizations to
68 provide health care services at a discount to medical discount plan
69 members, and (C) determines the fees charged to the members for the
70 medical discount plan. "Medical discount plan organization" does not
71 include a health insurer, health care center, hospital service
72 corporation, medical service corporation or fraternal benefit society
73 licensed in this state or any affiliate of such health insurer, health care
74 center, hospital service corporation, medical service corporation or
75 fraternal benefit society;

76 (6) "Health care services" means any care, service or treatment of an
77 illness or dysfunction of, or injury to, the human body. "Health care
78 services" includes physician care, inpatient care, hospital surgical
79 services, emergency medical services, ambulance services, dental care

80 services, vision care services, mental health care services, substance
81 abuse services, chiropractic services, podiatric services, laboratory test
82 services and the provision of medical equipment or supplies. "Health
83 care services" does not include pharmaceutical supplies or
84 prescriptions or ambulance services provided on a subscription basis
85 by an ambulance service or company that is a nonprofit volunteer
86 organization;

87 (7) "Member" means an individual who pays for the right to receive
88 the benefits of a medical discount plan; and

89 (8) "Person" means a person, as defined in section 38a-1.

| | | |
|---|------------------------|--------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2010</i> | 38a-41(a) |
| Sec. 2 | <i>October 1, 2010</i> | 38a-479qq(a) |

Statement of Purpose:

To exempt an ambulance service or company that provides emergency medical services on a subscription basis and is a nonprofit volunteer organization from the provisions of title 38a 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.]