



OLR RESEARCH REPORT

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GUARANTEED ISSUE FOR HEALTH INSURANCE

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You asked what “guaranteed issue” means as it relates to health insurance and whether Connecticut requires insurers to issue health insurance on a guaranteed issue basis.

SUMMARY

“Guaranteed issue” is the requirement that an insurer accept every applicant. Connecticut requires insurers to issue health insurance on a guaranteed issue basis to small employers, including self-employed individuals.

GUARANTEED ISSUE

“Guaranteed issue” is a requirement that a health plan allow a person to enroll regardless of his or her health, age, gender, or other factors that might predict the person’s use of health services. In the group market, it generally means an insurer must issue a plan to the group if the group is willing to purchase it.

The 1996 federal Health Insurance Portability and Accountability Act (HIPAA) requires that all health plans sold to groups with two to 50 employees (i.e., small employers) be sold on a guaranteed issue basis. Thus, in the United States, insurers cannot turn down small employers based on the health status of employees.

HIPAA does not apply to self-employed individuals. However, Connecticut defines small employer as groups of one to 50 ([CGS § 38a-564](#)(4)). According to the Insurance Department, Connecticut law requires a statutory small employer health care plan established by the Connecticut Small Employer Health Reinsurance Pool board (and approved by the department in accordance with [CGS § 38a-568](#)) be available on a guaranteed basis to all small groups, including groups of one ([CGS § 38a-567](#)(10)).

For a state list of guaranteed issue requirements in the small group and individual markets, see <http://www.statehealthfacts.org/comparetable.jsp?ind=350&cat=7> and <http://www.statehealthfacts.org/comparetable.jsp?ind=353&cat=7>.

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