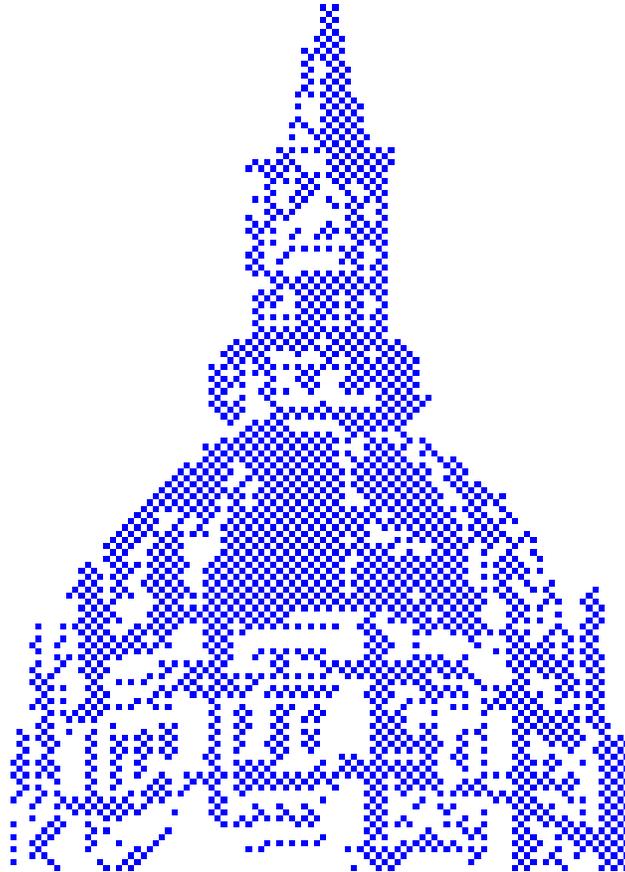




2016 ACTS ORIGINATING IN THE INSURANCE AND REAL ESTATE COMMITTEE



2016-R-0139

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NOTICE TO READERS

This report provides highlights of new laws enacted during the 2016 legislative session that originated in the Insurance and Real Estate Committee. In each summary, we indicate the public act (PA) or special act (SA) number and effective date. Not all provisions of the acts are included here.

Complete summaries of all 2016 public acts are available on OLR's webpage:
<https://www.cga.ct.gov/olr/olrsums.asp>.

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerk's Office, or General Assembly's website:
<http://www.cga.ct.gov/>.

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2016 LEGISLATIVE SESSION

Insurance and Real Estate

Committee

By The Numbers

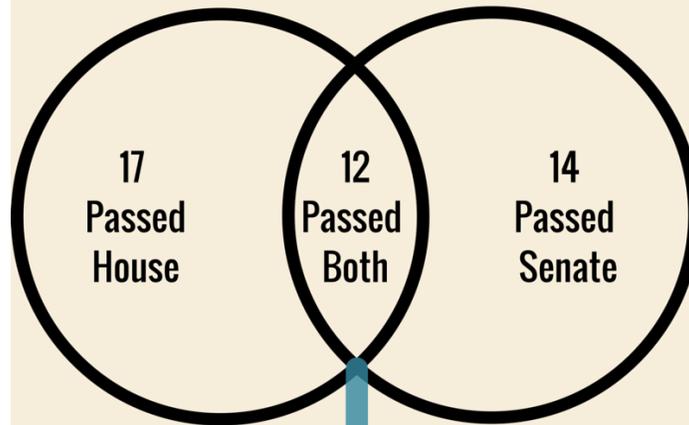


58

Bills Originally Considered or Introduced



40 Bills Voted Out of Committee



12 Public or Special Acts Signed Into Law

- | | |
|-----------|-----------|
| PA 16-63 | PA 16-175 |
| PA 16-82 | PA 16-205 |
| PA 16-119 | PA 16-206 |
| PA 16-129 | PA 16-213 |
| PA 16-136 | PA 16-214 |
| PA 16-162 | SA 16-4 |

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ACCESS HEALTH CT

Insurance in Lieu of Bond

A new law allows the Connecticut Health Insurance Exchange (Access Health CT) to obtain insurance covering board members, the executive officer, and employees, instead of executing a bond for them. The insurance must be equivalent to the bond and be conditioned on the faithful performance of duties, issued by an insurer authorized to transact business in Connecticut, and paid for by the exchange ([PA 16-129](#), effective October 1, 2016).

AUTO AND HOME INSURANCE

Third-Party Designee

A new law eliminates a requirement for an automobile or homeowners insurance policyholder to be at least age 55 to designate a third party to receive cancellation or nonrenewal notices from insurers ([PA 16-136](#), effective October 1, 2017).

HEALTH INSURANCE AND HEALTH CARRIERS

Clinical Review Criteria

Sometimes technological advances in medical treatment occur faster than medical professional societies can update their publications. A new law allows health carriers to use additional clinical review criteria for utilization reviews, including criteria that address technological advances, even if they are not covered in certain professional publications. Clinical review criteria are the standards health carriers use to determine appropriate care for specific treatments. The law also repeals certain disclosure requirements specific to substance use and mental disorders and replaces them with general disclosure requirements ([PA 16-175](#), effective January 1, 2017).

Inter-Hospital Transfers

In certain life threatening emergencies, a newborn infant may need to be transferred from one hospital to another hospital with facilities or experts better equipped to handle the infant's precarious medical condition. A new law prohibits health carriers (e.g., insurers) from requiring preauthorization in these circumstances for the transfer of the infant or the infant's mother to accompany him or her ([PA 16-162](#), effective January 1, 2017).

Provider Networks, Contracts, and Directories

A new law requires health carriers to establish and maintain adequate provider networks to assure that all covered benefits are accessible to covered individuals without unreasonable travel or delay. It requires the insurance commissioner to

review and determine the sufficiency of the networks, subject to specified criteria. It also requires carriers to (1) make a good faith effort to give written notice to a participating provider's patients when the provider leaves the network and (2) provide for the continuity of care for patients in an active course of treatment with the provider. It establishes standards for contracts between a health carrier and its participating providers and requires carriers to maintain a current and accurate provider directory on its website and update it at least monthly ([PA 16-205](#), effective January 1, 2017).

Right-to-Try Experimental Drugs

A new law allows terminally ill patients, under specific conditions, to access certain medications and devices not approved for general use by the federal Food and Drug Administration. It allows health carriers to cover investigational drugs and devices, and specifies when carriers may deny coverage to patients being treated with them. It also specifies that it does not create a private cause of action against a health carrier that provides or denies coverage for an insured patient being treated with an investigational drug ([PA 16-214](#), effective October 1, 2016).

Tomosynthesis

A new law requires certain Connecticut health insurance policies to cover, at the option of the covered woman, mammograms provided by breast tomosynthesis. Breast tomosynthesis is a three-dimensional mammographic method. By law, these policies already cover baseline mammograms for women age 35 through 39, and annual mammograms for women age 40 or older ([PA 16-82](#), effective January 1, 2017).

OPIOID AND SUBSTANCE USE

Substance Use Disorder Insurance Coverage Study

A new law requires the insurance commissioner, within available appropriations, to study impediments to insureds receiving substance use disorder treatment under their current health insurance policies or benefit plans. The study must include the extent of coverage under health insurance policies or benefit plans, types of treatments covered under these policies or plans, requirements for insureds to receive covered treatment, and cost-sharing requirements for the treatments ([SA 16-4](#), effective upon passage).

REGULATORY CHANGES

Annual Reporting

A new law requires domestic insurers and insurance groups to file corporate governance annual disclosure reports with the insurance commissioner. The reports generally describe how companies are structured, any steps they take to mitigate risk, and the composition and governing structure of any major boards and committees. The new law standardizes how these reports are filed, with whom they can be shared, and the type of information they must contain. The law is substantially similar to the National Association of Insurance Commissioners' Corporate Governance Annual Disclosure model act ([PA 16-206](#), § 1, effective January 1, 2017).

Foreign and Dental-Only HMOs Allowed

A new law allows the Insurance Department to (1) authorize health care centers (HMOs) organized under another state's laws (i.e., foreign HMOs) to do business in Connecticut and (2) license HMOs that offer only dental services. It generally subjects foreign HMOs and dental-only HMOs to the same laws that apply to domestic HMOs, with certain exceptions ([PA 16-213](#), §§ 3-16 & 20-24, effective July 1, 2016 for foreign HMOs and July 1, 2017 for dental-only HMOs).

Insurance Product Regulation Compact

Under a new law, Connecticut adopts the National Association of Insurance Commissioner's Interstate Insurance Product Regulation Compact for life insurance and annuity products. The new law makes the insurance commissioner Connecticut's representative to the multi-state public entity the compact creates: the Interstate Insurance Product Regulation Commission. Through the commission, compacting states develop uniform national product standards for life insurance, annuities, disability income, and long-term care insurance products and a centralized filing process for insurers to use for related product filings. An insurer may sell commission-approved products in compacting states where it is licensed to operate ([PA 16-119](#), effective July 1, 2017).

Market Conduct Examinations and Data Calls

By law, the insurance commissioner must examine regulated entities (e.g., insurers and HMOs doing business in Connecticut) to determine their compliance with applicable state laws and regulations. Among other things, a new law:

1. allows the commissioner to conduct examinations in accordance with the National Association of Insurance Commissioners' (NAIC) Market Regulation Handbook;

2. immunizes from liability examiners or people providing information in support of an examination for acts performed in good faith;
3. makes examination work papers confidential;
4. allows the commissioner to share examination reports or results with insurance regulatory officials, law enforcement officials, and government agencies; and
5. clarifies when domestic regulated entities are required to pay examination expenses.

The new law also (1) authorizes Insurance Department data calls and (2) eliminates the need for health carriers to report utilization review data to the department separate from their annual managed care reports ([PA 16-213](#), §§ 1-2 & 17-19, effective July 1, 2016 for the eliminated report and October 1, 2016 for market conduct examination and data call provisions).

Risk Retention Groups

A new law requires risk retention groups chartered in Connecticut to meet specific governance standards. Among other things, they must be governed by a board of directors and establish an audit committee. The new law is substantially similar to the National Association of Insurance Commissioners' Risk Retention model act ([PA 16-206](#), §§ 2-8, effective October 1, 2016).

SHORT-TERM CARE

Insurance

Because long-term care insurance policies must cover at least one year of expenses, injuries requiring less than one year of treatment may not be covered. A new law creates, regulates, and allows the sale of short-term care insurance to cover this gap. The insurance covers up to 300 days of treatment for an injury, illness, or loss of functional capacity provided at home or another nonhospital location ([PA 16-63](#), effective October 1, 2016).

JKL/AR:cmg