

First Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 21-0170.01 Kristen Forrestal x4217

SENATE BILL 21-090

---

SENATE SPONSORSHIP

Smallwood,

HOUSE SPONSORSHIP

Hooton,

---

Senate Committees  
Health & Human Services

House Committees

---

A BILL FOR AN ACT

101 CONCERNING THE RENEWAL OF A SMALL GROUP HEALTH BENEFIT  
102 PLAN ISSUED TO AN EMPLOYER THAT NO LONGER MEETS THE  
103 DEFINITION OF SMALL EMPLOYER AFTER THE SMALL GROUP  
104 PLAN WAS FIRST ISSUED.

---

Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill clarifies that if a small employer has been issued a health benefit plan subject to small group insurance laws and rules, and then following the issuance date no longer meets the definition of "small

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

employer", the small group insurance laws and rules continue to apply to the plan as long as the employer renews the current health benefit plan. If the employer opts to renew its current plan, the bill requires an insurance carrier to offer the employer the same small group health benefit plan or, if the same plan is no longer available, a similar plan that the carrier offers to other small employers.

The bill requires an insurance carrier to notify the employer that the small group insurance laws and rules will no longer apply if the employer fails to renew the current plan or elects to enroll in a different health benefit plan.

---

1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 10-16-105.1, **add**  
3 (3.5) as follows:

4           **10-16-105.1. Guaranteed renewability - exceptions - individual**  
5 **and small employer health benefit plans - rules.** (3.5) (a) IF A CARRIER  
6 ISSUES A SMALL GROUP HEALTH BENEFIT PLAN TO A SMALL EMPLOYER  
7 THAT, AT THE TIME THE PLAN WAS ISSUED, WAS A SMALL EMPLOYER BUT  
8 SUBSEQUENTLY EMPLOYS MORE THAN ONE HUNDRED ELIGIBLE EMPLOYEES  
9 OR OTHERWISE NO LONGER MEETS THE DEFINITION OF A SMALL EMPLOYER,  
10 THIS ARTICLE 16 AND ANY RULES PROMULGATED BY THE COMMISSIONER  
11 CONCERNING SMALL GROUP HEALTH BENEFIT PLANS CONTINUE TO APPLY  
12 TO THE HEALTH BENEFIT PLAN AS LONG AS THE EMPLOYER RENEWS ITS  
13 CURRENT SMALL GROUP HEALTH BENEFIT PLAN OR A SIMILAR PLAN  
14 OFFERED BY THE CARRIER PURSUANT TO SUBSECTION (3.5)(b) OF THIS  
15 SECTION, IN ACCORDANCE WITH THE RENEWAL REQUIREMENTS  
16 APPLICABLE TO OTHER SMALL GROUP HEALTH BENEFIT PLANS SUBJECT TO  
17 THIS ARTICLE 16 AND RULES PROMULGATED BY THE COMMISSIONER  
18 PURSUANT TO THIS ARTICLE 16.

19           (b) IF A SMALL EMPLOYER WAS ISSUED A SMALL GROUP HEALTH  
20 BENEFIT PLAN AND SUBSEQUENTLY EMPLOYS MORE THAN ONE HUNDRED

1 EMPLOYEES OR OTHERWISE NO LONGER MEETS THE DEFINITION OF SMALL  
2 EMPLOYER AND THE EMPLOYER OPTS TO RENEW THE SMALL GROUP  
3 HEALTH BENEFIT PLAN, THE CARRIER THAT ISSUED THE SMALL GROUP  
4 HEALTH BENEFIT PLAN SHALL OFFER THE EMPLOYER THE SAME SMALL  
5 GROUP HEALTH BENEFIT PLAN OR, IF THE SAME PLAN IS NO LONGER BEING  
6 OFFERED TO ANY SMALL EMPLOYER, A SIMILAR SMALL GROUP HEALTH  
7 BENEFIT PLAN THAT THE CARRIER OFFERS TO OTHER SMALL EMPLOYERS.

8 (c) A CARRIER THAT ISSUED A SMALL GROUP HEALTH BENEFIT  
9 PLAN TO A SMALL EMPLOYER SHALL NOTIFY THE EMPLOYER, WITHIN SIXTY  
10 DAYS AFTER BECOMING AWARE THAT THE EMPLOYER NO LONGER MEETS  
11 THE DEFINITION OF A SMALL EMPLOYER, BUT NO LATER THAN THE  
12 ANNIVERSARY DATE OF THE ISSUANCE OF THE EMPLOYER'S HEALTH  
13 BENEFIT PLAN, THAT THE PROVISIONS OF COLORADO LAW GOVERNING  
14 SMALL GROUP HEALTH BENEFIT PLANS WILL CEASE TO APPLY TO THE  
15 EMPLOYER IF THE EMPLOYER FAILS TO RENEW ITS CURRENT SMALL GROUP  
16 HEALTH BENEFIT PLAN OR ELECTS TO ENROLL IN A DIFFERENT HEALTH  
17 BENEFIT PLAN.

18 **SECTION 2. Act subject to petition - effective date.** This act  
19 takes effect at 12:01 a.m. on the day following the expiration of the  
20 ninety-day period after final adjournment of the general assembly; except  
21 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
22 of the state constitution against this act or an item, section, or part of this  
23 act within such period, then the act, item, section, or part will not take  
24 effect unless approved by the people at the general election to be held in  
25 November 2022 and, in such case, will take effect on the date of the  
26 official declaration of the vote thereon by the governor.