

# An Act

SENATE BILL 21-090

BY SENATOR(S) Smallwood, Cooke, Coram, Gardner, Ginal, Hisey, Holbert, Kirkmeyer, Liston, Lundeen, Priola, Rankin, Scott, Simpson, Sonnenberg, Woodward;

also REPRESENTATIVE(S) Hooton, Amabile, Baisley, Bird, Cutter, Duran, Esgar, Exum, Froelich, Gray, Kennedy, Lontine, McCormick, Michaelson Jenet, Mullica, Ortiz, Titone, Valdez A., Van Winkle, Weissman, Woodrow, Garnett.

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

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

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

**10-16-105.1. Guaranteed renewability - exceptions - individual and small employer health benefit plans - rules.** (3.5) (a) IF A CARRIER ISSUES A SMALL GROUP HEALTH BENEFIT PLAN TO A SMALL EMPLOYER THAT, AT THE TIME THE PLAN WAS ISSUED, WAS A SMALL EMPLOYER BUT SUBSEQUENTLY EMPLOYS MORE THAN ONE HUNDRED ELIGIBLE EMPLOYEES,

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

THIS ARTICLE 16 AND ANY RULES PROMULGATED BY THE COMMISSIONER CONCERNING SMALL GROUP HEALTH BENEFIT PLANS CONTINUE TO APPLY TO THE HEALTH BENEFIT PLAN AS LONG AS THE EMPLOYER RENEWS ITS CURRENT SMALL GROUP HEALTH BENEFIT PLAN OR A SIMILAR PLAN OFFERED BY THE CARRIER PURSUANT TO SUBSECTION (3.5)(b) OF THIS SECTION, IN ACCORDANCE WITH THE RENEWAL REQUIREMENTS APPLICABLE TO OTHER SMALL GROUP HEALTH BENEFIT PLANS SUBJECT TO THIS ARTICLE 16 AND RULES PROMULGATED BY THE COMMISSIONER PURSUANT TO THIS ARTICLE 16.

(b) IF A SMALL EMPLOYER WAS ISSUED A SMALL GROUP HEALTH BENEFIT PLAN AND SUBSEQUENTLY EMPLOYS MORE THAN ONE HUNDRED EMPLOYEES AND THE EMPLOYER OPTS TO RENEW THE SMALL GROUP HEALTH BENEFIT PLAN, THE CARRIER THAT ISSUED THE SMALL GROUP HEALTH BENEFIT PLAN SHALL OFFER THE EMPLOYER THE SAME SMALL GROUP HEALTH BENEFIT PLAN OR, IF THE SAME PLAN IS NO LONGER BEING OFFERED TO ANY SMALL EMPLOYER, A SIMILAR SMALL GROUP HEALTH BENEFIT PLAN THAT THE CARRIER OFFERS TO OTHER SMALL EMPLOYERS.


(c) A CARRIER THAT ISSUED A SMALL GROUP HEALTH BENEFIT PLAN TO A SMALL EMPLOYER SHALL NOTIFY THE EMPLOYER, WITHIN SIXTY DAYS AFTER BECOMING AWARE THAT THE EMPLOYER EMPLOYS MORE THAN ONE HUNDRED EMPLOYEES, BUT NO LATER THAN THE ANNIVERSARY DATE OF THE ISSUANCE OF THE EMPLOYER'S HEALTH BENEFIT PLAN, THAT THE PROVISIONS OF COLORADO LAW GOVERNING SMALL GROUP HEALTH BENEFIT PLANS WILL CEASE TO APPLY TO THE EMPLOYER IF THE EMPLOYER FAILS TO RENEW ITS CURRENT SMALL GROUP HEALTH BENEFIT PLAN OR ELECTS TO ENROLL IN A DIFFERENT HEALTH BENEFIT PLAN.

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


November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.



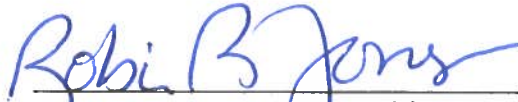
Leroy M. Garcia  
PRESIDENT OF  
THE SENATE



Alec Garnett  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

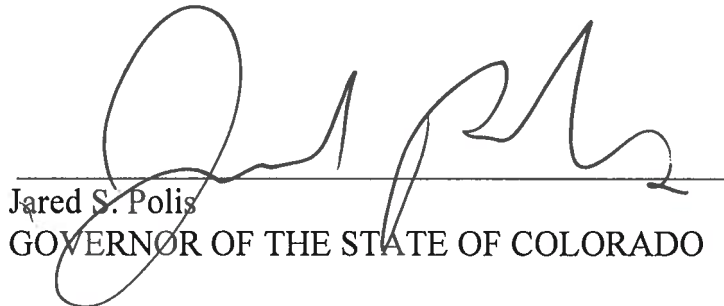


Cindi L. Markwell  
SECRETARY OF  
THE SENATE



Robin Jones  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED March 25, 2021 at 3:40 pm  
(Date and Time)



Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO