

CHAPTER 327

INSURANCE

HOUSE BILL 04-1117

BY REPRESENTATIVE(S) Rhodes, Berry, Cadman, Coleman, Frangas, Hall, Harvey, Hefley, Hoppe, Schultheis, Spradley, Stafford, Wiens, and Williams T.;
also SENATOR(S) Hillman, Andrews, Arnold, Chlouber, Evans, Johnson S., Kester, Lamborn, Tapia, and Taylor.

AN ACT

CONCERNING A GRACE PERIOD IN WHICH A HEALTH INSURANCE CARRIER MAY REENTER THE COLORADO INSURANCE MARKET WITHOUT PENALTY.

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

SECTION 1. 10-16-201.5 (2), Colorado Revised Statutes, is amended to read:

10-16-201.5. Renewability of health benefit plans - modification of health benefit plans - repeal. (2) (a) A carrier that elects to nonrenew and to discontinue offering all of its individual, small group, or large group health benefit plans in this state pursuant to paragraph (d) of subsection (1) of this section shall be prohibited from writing new health benefit plans of the same type (individual, small group, or large group) as was discontinued or nonrenewed in this state for a period of five years ~~from~~ AFTER the date of the notice to the insurance commissioner.

(b) (I) NOTWITHSTANDING PARAGRAPH (a) OF THIS SUBSECTION (2), A CARRIER THAT ELECTED TO NONRENEW AND TO DISCONTINUE OFFERING ALL OF ITS SMALL GROUP HEALTH BENEFIT PLANS IN THIS STATE ON OR BEFORE JANUARY 1, 2002, SHALL BE ENTITLED TO A ONE-TIME REDUCTION OF THE FIVE-YEAR WAITING PERIOD TO A FOUR-YEAR WAITING PERIOD, WITH THE COMMISSIONER'S DUE CONSIDERATION GIVEN TO THE CARRIER'S PERFORMANCE, IMPOSED BY SAID PARAGRAPH (a) IF:

(A) THE CARRIER FILES A WRITTEN STATEMENT OF ITS INTENT TO REENTER THE COLORADO INSURANCE MARKET ON OR BEFORE OCTOBER 31, 2004;

(B) THE COMMISSIONER DETERMINES THAT THE EARLY REENTRY OF ANY CARRIER IS IN THE BEST INTERESTS OF THE STATE AND THE STATE'S INSURANCE MARKET, AND IS CONSISTENT WITH THE PROVISIONS OF THE FEDERAL "HEALTH INSURANCE

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

PORTABILITY AND ACCOUNTABILITY ACT OF 1996", AS AMENDED;

(C) THE CARRIER MEETS ALL REGULATORY REQUIREMENTS PURSUANT TO THIS TITLE.

(II) THE CARRIER SHALL NOT MARKET ANY MATERIALS OFFERING ALL OR PART OF ITS SMALL GROUP HEALTH BENEFIT PLAN MATERIALS PRIOR TO THE COMMISSIONER ISSUING A LETTER INDICATING PROVISIONS OF THIS PARAGRAPH (b) HAVE BEEN MET.

(III) THE COMMISSIONER, AT HIS OR HER DISCRETION, MAY EXTEND THE DEADLINE FOR SUCH FILING TO A LATER DATE, UP TO BUT NO LATER THAN OCTOBER 31, 2005.

(IV) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2006.

SECTION 2. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 28, 2004