

SENATE BILL NO. 382

INTRODUCED BY STIMATZ, JACOBSON, DANIELS, CHRISTIAENS

IN THE SENATE

February 9, 1983	Introduced and referred to Committee on Business and Industry.
February 17, 1983	Committee recommend bill do pass as amended. Report adopted.
February 18, 1983	Bill printed and placed on members' desks.
February 19, 1983	Second reading, do pass.
February 21, 1983	Correctly engrossed.
February 22, 1983	Third reading, passed. Ayes, 48; Noes, 1. Transmitted to House.

IN THE HOUSE

February 28, 1983	Introduced and referred to Committee on Business and Industry.
March 11, 1983	Committee recommend bill be concurred in as amended. Report adopted.
March 18, 1983	Second reading, concurred in.
March 19, 1983	Third reading, concurred in.

IN THE SENATE

March 21, 1983

Returned to Senate with
amendments.

March 22, 1983

Second reading, amendments
concurred in.

March 23, 1983

Third reading, amendments
concurred in. Ayes, 45;
Noes, 4.

Sent to enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. *382*
2 INTRODUCED BY *Henry J. Jacobson*
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE AMOUNT A
5 HEALTH SERVICE CORPORATION MAY CHARGE FOR A POLICY CONVERTED
6 FROM A GROUP PLAN; REQUIRING 60 DAYS' NOTICE OF ANY RATE
7 INCREASE BY A HEALTH SERVICE CORPORATION; AMENDING SECTION
8 33-30-1007, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 33-30-1007, MCA, is amended to
12 read:

13 "33-30-1007. Conversion on termination of eligibility.

14 (1) The group hospital or medical service plan contract
15 issued or renewed by a health service corporation after
16 October 1, 1981, shall contain a provision that if the
17 insurance or any portion of it on a person, his dependents,
18 or family members covered under the policy ceases because of
19 termination of his employment or of his membership in the
20 class or classes eligible for coverage under the policy or
21 as a result of an employer discontinuing his business, such
22 person shall, provided he has been insured for a period of 3
23 months, be entitled to have issued to him by the insurer,
24 without evidence of insurability, an individual policy of
25 hospital or medical service insurance on himself, his

dependents, or family members, provided application for the
individual policy shall be made and the first premium
tendered to the insurer within 31 days after the termination
of group coverage.

(2) The individual policy shall, at the option of the
insured, be on any of the forms then customarily issued by
the insurer to individual policyholders with the exception
of those whose eligibility is determined by their
affiliation other than by employment with a particular
entity.

(3) The premium on the individual policy shall be at
the insurer's then customary rate applicable to the coverage
of the individual policy ~~but may not be greater than 150% of~~
~~the former group plan."~~

NEW SECTION. Section 2. Notice of rate increases --
comment to commissioner. A health service corporation must
inform members of any rate increase at least 60 days prior
to such increase. Each rate increase notice must include:

(a) a provision notifying the member that he may
comment on the rate increase; and

(b) the mailing address of the commissioner.

NEW SECTION. Section 3. Codification instruction.
Section 2 is intended to be codified as an integral part of
Title 33, chapter 30, and the provisions of Title 33,
chapter 30, apply to section 2.

-End-

-2- INTRODUCED BILL
SE 382

Approved by Committee
on Business and Industry

SENATE BILL NO. 382

INTRODUCED BY STIMATZ, JACOBSON, DANIELS, CHRISTIAENS

A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE AMOUNT A HEALTH SERVICE CORPORATION MAY CHARGE FOR A POLICY CONVERTED FROM A GROUP PLAN; REQUIRING 60 ~~45~~ DAYS' NOTICE OF ANY RATE INCREASE BY A HEALTH SERVICE CORPORATION; AMENDING SECTION 33-30-1007, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-30-1007, MCA, is amended to read:

"33-30-1007. Conversion on termination of eligibility.

(1) The group hospital or medical service plan contract issued or renewed by a health service corporation after October 1, 1981, shall contain a provision that if the insurance or any portion of it on a person, his dependents, or family members covered under the policy ceases because of termination of his employment or of his membership in the class or classes eligible for coverage under the policy or as a result of an employer discontinuing his business, such person shall, provided he has been insured for a period of 3 months, be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of hospital or medical service insurance on himself, his

dependents, or family members, provided application for the individual policy shall be made and the first premium tendered to the insurer within 31 days after the termination of group coverage.

(2) The individual policy shall, at the option of the insured, be on any of the forms then customarily issued by the insurer to individual policyholders with the exception of those whose eligibility is determined by their affiliation other than by employment with a particular entity.

(3) The premium on the individual policy shall be at the insurer's then customary rate applicable to the coverage of the individual policy ~~but may not be greater than 150% of the former group plan, PROVIDED THE BENEFIT LEVEL IN THE CONVERTED POLICY IS NO GREATER THAN THE LEVEL OF THE FORMER GROUP PLAN."~~

~~NEW SECTION.~~ Section 2. Notice of rate increases -- comment to commissioner. (1) A health service corporation must inform members COVERED UNDER INDIVIDUAL PLANS of any rate increase at least 60 ~~45~~ days prior to such increase. Each rate increase notice must include:

(a) a provision notifying the member that he may comment on the rate increase; and

(b) the mailing address of the commissioner.

~~(2) THE PREMIUM RATE FOR AN INDIVIDUAL POLICY~~

1 ~~CONVERTED FROM A GROUP PLAN IN ACCORDANCE WITH 33-30-1007(3)~~
2 ~~MAY NOT BE INCREASED DURING THE FIRST 6 MONTHS OF COVERAGE~~
3 ~~OF INDIVIDUAL POLICY.~~

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(2) The individual policy shall, at the option of the insured, be on any of the forms then customarily issued by the insurer to individual policyholders with the exception of those whose eligibility is determined by their affiliation other than by employment with a particular entity.

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2 MAY NOT BE INCREASED DURING THE FIRST 6 MONTHS OF COVERAGE
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HOUSE BUSINESS & INDUSTRY COMMITTEE
AMENDMENTS TO SENATE BILL 382 THIRD READING COPY BLUE
MARCH 11, 1983

1. Page 2, line 14

Strike: lines 14 and 15 through "PLAN" on line 16

Insert: "the insurer's highest group rate for a policy with
the same benefits as the conversion policy"

AND AS AMENDED
BE CONCURRED IN

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