SENATE BILL NO. 382

INTRODUCED BY STIMATZ, JACOBSON, DANIELS, CHRISTIAENS

IN THE SENATE

February	9, 1	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	i	Second reading, do pass.
February	21,	1983		Correctly engrossed.
February	22,	1983		Third reading, passed. Ayes, 48; Noes, 1. Transmitted to House.
			IN T	HE HOUSE
February	28,	1983		Introduced and referred to Committee on Business and Industry.
March 11,	, 198	33		Committee recommend bill be concurred in as amended.

March 18, 1983

March 19, 1983

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Third reading, concurred in.

Second reading, concurred in.

Report adopted.

IN THE SENATE

March 21, 1983

March 22, 1983

March 23, 1983

Returned to Senate with amendments.

Second reading, amendments concurred in.

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

Sent to enrolling.

Reported correctly enrolled.

LC 2314/01

Stand BILL NO. 382 Stand J. Jacobson Dand Atrication 1 INTRODUCED BY _ 2 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 INGREASE 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:

#33-30-1007. Conversion on termination of eligibility. 13 (1) The group hospital or medical service plan contract 14 issued or renewed by a health service corporation after 15 Octoper 1, 1981, shall contain a provision that if the 16 17 insurance or any portion of it on a person, his dependents, 18 or family members covered under the policy ceases because of termination of his employment or of his membership in the 19 class or classes eligible for coverage under the policy or 20 as a result of an employer discontinuing his business, such 21 person shall, provided he has been insured for a period of 3 22 months. be entitled to have issued to him by the insurer, 23 without evidence of insurability, an individual policy of 24 hospital or medical service insurance on himself, his 25

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.

5 (2) The individual policy shall, at the option of the 6 insured, be on any of the forms then customarily issued by 7 the insurer to individual policyholders with the exception 8 of those whose eligibility is determined by their 9 affiliation other than by employment with a particular 10 entity.

11 (3) The premium on the individual policy shall be at 12 the insurer's then customary rate applicable to the coverage 13 of the individual policy <u>but_may_not_be_greater_than_150%_of</u> 14 <u>the_former_group_plan."</u>

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. <u>NEW_SECTIONs</u> Section 3. Codification instruction.

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22

23 Section 2 is intended to be codified as an integral part of 24 Title 33, chapter 30, and the provisions of Title 33, 25 chapter 30, apply to section 2.

> -End--2- INTRODUCED BILL S& 382

48th Legislature

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SB 0382/02

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Approved by Committee on <u>Business and Industry</u>

1	SENATE BILL NO. 382
Z	INTRODUCED BY STIMATZ, JACOBSON, DANIELS, CHRISTIAENS
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4	A BILL FOR AN ACT ENTITLED: "AN ACT LINITING THE AMOUNT A
5	HEALTH SERVICE CORPORATION MAY CHARGE FOR A POLICY CONVERTED
6	FROM A GROUP PLAN; REQUIRING 60 45 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

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1	dependents, or family members, provided application for the
2	individual policy shall be made and the first premium
3	tendered to the insurer within 31 days after the termination
4	of group coverage.
5	(2) The individual policy shalls at the option of the
6	insured, be on any of the forms then customarily issued by
7	the insurer to individual policyholders with the exception
8	of those whose eligibility is determined by their
9	affiliation other than by employment with a particular
10	entity.
11	(3) The premium on the individual policy shall be at
12	the insurer's then customary rate applicable to the coverage
13	of the Individual policy <u>but may not be greater than 150% of</u>
14	tbe_facmec_group_plaos_PROVIDED_IHEBENEEIILEVELINIHE
15	CONVERTED_POLICY_IS_NO_GREATER_THAN_THE_LEVEL_DE_THE_EORMER
16	GROUP_PLAN."
17	<u>NEW_SECTION.</u> Section 2. Notice of rate increases
18	comment to commissioner. (1) A health service corporation
19	must inform members <u>COVERED_UNDER_INDIVIDUALPLANS</u> of any
· 20	rate increase at least 60 45 days prior to such increase.
21	Each rate increase notice must include:
22	(a) a provision notifying the member that he may
23	comment on the rate increase; and
24	(b) the mailing address of the commissioner.
25	(2)IHEPREMIUMRAIEEQSAHINDIVIDUAL_POLICY

-2-SB 382 SECOND READING

SB 0382/02

SB 382

 1
 CONVERIED_FROM_A_GROUP_PLAN_IN_ACCORDANCE_WITH_33-30-1007(3)

 2
 MAY_NOI_BE_INCREASED_DURING_THE_FIRST_6_MONTHS_DE_COVERAGE

 3
 DE_INDIVIDUAL_POLICY.

 4
 NEW_SECTION. Section 3. Codification instruction.

 5
 Section 2 is intended to be codified as an integral part of

 6
 Title 33, chapter 30, and the provisions of Title 33,

 7
 chapter 30, apply to section 2.

-End-

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1/18 SB 0382/02

1 SENATE BILL NO. 382 2 INTRODUCED BY STIMATZ, JACOBSON, DANIELS, CHRISTIAENS 3 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE AMOUNT A 4 HEALTH SERVICE CORPORATION MAY CHARGE FOR A POLICY CONVERTED 5 FROM A GROUP PLAN; REQUIRING 60 45 DAYS" NOTICE OF ANY RATE 6 7 INCREASE BY A HEALTH SERVICE CORPORATION; AMENDING SECTION 8 33-30-1007. MCA.P 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 Section 1. Section 33-30-1007, MCA, is amended to 11 12 read: "33-30-1007. Conversion on termination of eligibility. 13 (1) The group hospital or medical service plan contract 14 issued or renewed by a health service corporation after 15 October 1, 1981, shall contain a provision that if the 16 17 insurance or any portion of it on a person, his dependents, or family members covered under the policy ceases because of 18 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, without evidence of insurability, an individual policy of 24 25 hospital or medical service insurance on himself, his

1 dependents, or family members, provided application for the individual policy shall be made and the first premium 2 3 tendered to the insurer within 31 days after the termination 4 of group coverage. 5 (2) The individual policy shall, at the option of the 6 insured, be on any of the forms then customarily issued by 7 the insurer to individual policyholders with the exception of those whose eligibility is determined by their 8 9 affillation other than by employment with a particular 10 entity. 11 (3) The premium on the individual policy shall be at the insurer's then customary rate applicable to the coverage 12 13 of the individual policy but may not be greater than 150% of 14 the former group plans PROVIDED IHE BENEFIT LEVEL IN THE 15 CONVERTED. POLICY IS NO GREATER THAN THE LEVEL OF THE FORMER 16 GROUP_PLAN." 17 MEH_SECTION: Section 2. Notice of rate increases ---18 comment to commissioner. (1) A health service corporation 19 must inform members COVERED_UNDER INDIVIDUAL_PLANS of any 20 rate increase at least 60 45 days prior to such increase. 21 Each rate increase notice must include: 22 (a) a provision notifying the member that he may 23 comment on the rate increase; and (b) the mailing address of the commissioner. 24 25 (2) THE PREMIUM RATE FOR AN INDIVIDUAL POLICY

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SB 382

THIRD READING

SB 0382/02

SB 382

1 CONVERTED_EROM_A_GROUP_PLAN_IN_ACCORDANCE_HITH_33=30=1007(3)

2 MAY_NDT_BE_INCREASED_DURING_THE_FIRST_6_MENTHS_DF_COVERAGE

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Title 33, chapter 30, and the provisions of Title 33,
chapter 30, apply to section 2.

-End-

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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 1

SE 0382/03

2 INTRODUCED BY STIMATZ, JACOBSON, DANIELS, CHRISTIAENS 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE AMOUNT A 5 HEALTH SERVICE CORPORATION MAY CHARGE FOR A POLICY CONVERTED FROM A GROUP PLAN; REQUIRING 60 45 DAYS NOTICE OF ANY RATE 6 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

SENATE BILL NO. 382

25 hospital or medical service insurance on himself, his

ł dependents, or family members, provided application for the 2 individual policy shall be made and the first premium 3 tendered to the insurer within 31 days after the termination 4 of group coverage. 5 (2) The individual policy shall, at the option of the 6 insured, be on any of the forms then customarily issued by 7 the insurer to individual policyholders with the exception я of those whose eligibility is determined by their 9 affiliation other than by employment with a particular 10 entity. 11 (3) The premium on the individual policy shall be at 12 the insurer's then customary rate applicable to the coverage 13 of the individual policy but way not be greater than 150% of the-former-group-plany_PROVIDED_THE--BENEEIT==EEVEL-_IN__IHE 14 15 CONVERTED__COLLEY-IS-NO-CREATER-THAN-THE-LEVEL-OF-THE-FORMER 16 GROUP-PLAN THE INSURER'S HIGHEST GROUP ... RATE ... FOR A ... POLICY WITH THE SAME BENEFITS AS THE CONVERSION POLICY." 17 18 NEW_SECTION. Section 2. Notice of rate increases --

15 <u>HEM_SELILUMA</u> Section 2. Notice of rate increases —
19 comment to commissioner. [1] A health service corporation
20 must inform members <u>COVERED_UNDER_INDIVIDUAL_PLANS</u> of any
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25 (b) the mailing address of the commissioner.

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REFERENCE BILL

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1 121_THE_PREMIUM_BATE_EOB_AN_INDIVIDUAL_POLICY 2 CONVERTED_EROM_A_GROUP_PLAN_IN_ACCORDANCE_WITH_33-30-1007131 3 MAY_NOT_BE_INCREASED_DURING_THE_EIRST_6_NONTHS_OF_COVERAGE 4 DE_INDIVIDUAL_POLICY. 5 MEM_SECTION. Section 3. Codification instruction. Section 2 is intended to be codified as an integral part of 6 Title 33, chapter 30, and the provisions of Title 33, 7 8 chapter 30, apply to section 2.

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