Regular Session, 2011 HOUSE BILL 1814 By: Representative Hyde By: Senator Teague By: Senator Teague For An Act To Be Entitled Market Act TO ENFORCE THE RULE-MAKING AUTHORITY OF THE INSURANCE COMMISSIONER IN THE CONSTRUCTION OF INSURANCE FOLICIES; AND FOR OTHER PURPOSES. INSURANCE POLICIES; AND FOR OTHER PURPOSES. Image: Sensitive Hyde Subtitle Image: Sensitiv	1	State of Arkansas 88th General Assembly A Bill	
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	35	(2) The renewal following the newly applicable statement of	
36 public policy.			



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(c)(1) Except as provided in this subsection section, a health
 insurance issuer that provides individual health insurance coverage for major
 medical benefits to an individual shall renew or continue in force such that
 coverage at the option of the individual.

5 (2) General Exceptions. A health insurance issuer may nonrenew 6 or discontinue health insurance coverage providing major medical benefits for 7 an individual in the individual market based only on <u>only</u> one (1) or more of 8 the following:

9 (A) Nonpayment of the Premium. The individual has failed 10 to pay premiums or contributions in accordance with <u>under</u> the terms of the 11 health insurance coverage or the issuer has not received timely premium 12 payments;

(B) Fraud. The individual has performed an act or
practice that constitutes fraud or made an intentional misrepresentation of
material fact under the terms of the coverage;

16 (C) Termination of the Plan. The issuer is ceasing to 17 offer major medical coverage in the individual market in accordance with 18 <u>under</u> applicable state or federal law;

(D) Movement Outside the Service Area. In the case of a health insurance issuer that offers health insurance for major medical coverage in the market through a network plan, the individual no longer resides, lives, or works in the service area, or in an area for which the issuer is authorized to do business, but only if the individual major medical coverage is terminated under this subdivision (c)(2)(D) uniformly without regard to any health-status related factor of covered individuals; and

(E) Association Membership Ceases. In the case of health insurance for major medical coverage that is made available in the individual market only through one (1) or more bona fide associations, the membership of the individual in the association, as the basis on which the coverage is provided, ceases but only if <u>such the</u> major medical coverage is terminated under this subdivision (c)(2)(E) uniformly without regard to any health status-related factor of covered individuals.

33 (3) Requirements for Uniform Termination of Coverage 34 Particular Type of Coverage Not Offered. In the case in which an insurer
35 decides to discontinue offering a particular type of health insurance
36 providing major medical coverage offered to the individual market, coverage

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1 of such this type may be discontinued by the issuer only if:

2 (A) The issuer provides to each covered individual with 3 coverage of this type in the market notice of the discontinuation at least 4 ninety (90) days prior to <u>before</u> the date of the discontinuation of the 5 coverage;

6 (B) The issuer offers to each individual in the individual 7 market with coverage of this type the option to purchase any other individual 8 health <u>issuance insurance</u> coverage currently being offered by the issuer for 9 individuals in the market; and

10 (C) In exercising the option to discontinue coverage of 11 this type, and in offering the option of coverage under subdivision (c)(3)(B) 12 of this section, the issuer acts uniformly without regard to any health 13 status-related factor of enrolled individuals or individuals who may become 14 eligible for the coverage.

15 (4) Discontinuance of Such Coverage - In General. Subject to 16 the provisions of this subsection section, in any case in which a health 17 insurance issuer elects to discontinue offering all health insurance 18 providing major medical coverage in the individual market in this state, 19 health insurance coverage may be discontinued by the issuer only if the 20 issuer provides to the Insurance Commissioner and to each individual notice 21 of such the discontinuance at least one hundred eighty (180) days prior to 22 before the date of expiration of the coverage.

(5) Prohibition on Market Reentry. In the case of a discontinuation in the individual market under this subsection section, the issuer may not provide for the issuance of any health insurance providing major medical coverage in the market and state involved during the five-year period beginning on the date of the discontinuation of the last health insurance coverage not so renewed.

(6) Exception for Uniform Modification of Coverage. At the time of coverage renewal, a health insurance issuer may modify the health insurance providing major medical coverage for a policy form offered to individuals in the individual market so long as the modification is consistent with state law and effective on a uniform basis among all individuals with that policy form.

35 (7) Application to Coverage Offered Only Through Associations.
 36 In applying this subsection section in the case of health insurance providing

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1	major medical coverage that is made available by a health insurance issuer in
2	the individual market only through <u>only</u> one (1) or more associations, a
3	reference to an "individual" is deemed to include <u>includes</u> a reference to
4	such an association of which the individual is a member.
5	(8) For purposes of this subsection <u>section</u> , the terms or
6	phrases "health insurance issuer", "health insurance coverage" or "coverage",
7	"Insurance Commissioner", "network plan", "health status-related factor",
8	"bona fide association", "individual market", and "eligible individual" shall
9	be defined pursuant to the definitions contained have the same meaning as
10	<u>defined</u> in § 23-86-303.
11	(d) The commissioner may promulgate rules that are necessary to
12	implement and enforce this section for the protection of policyholders.
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