

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4
5 By: Senator E. Williams
6

A Bill

SENATE BILL 895

For An Act To Be Entitled

8 AN ACT TO PROHIBIT INSURERS FROM REQUIRING THE
9 PURCHASE OF LIFE INSURANCE TO OBTAIN HEALTH
10 INSURANCE; AND FOR OTHER PURPOSES.
11

Subtitle

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13 TO PROHIBIT INSURERS FROM REQUIRING THE
14 PURCHASE OF LIFE INSURANCE TO OBTAIN
15 HEALTH INSURANCE.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code Title 23, Chapter 63, Subchapter 1 is amended
22 to add an additional section to read as follows:

23 23-63-115. Prohibition against insurers requiring the purchase of life
24 insurance to obtain health insurance – Definitions.

25 (a) As used in this section:

26 (1)(A) “Employee” means a person who performs work or service of
27 any type for compensation on a full-time or part-time basis.

28 (B) “Employee” includes an applicant for a position to
29 perform work or service for compensation.

30 (C) “Employee” does not include:

31 (i) An individual employed by his or her parents,
32 spouse, or child;

33 (ii) An individual participating in a specialized
34 employment training program conducted by a nonprofit sheltered workshop or
35 rehabilitation facility;

36 (iii) An individual employed outside the State of



1 Arkansas; or

2 (iv) An independent contractor;

3 (2) "Employer" means a person or entity who employs five (5) or
4 more employees in the State of Arkansas in each of twenty (20) or more
5 calendar weeks in the current or preceding calendar year;

6 (3)(A) "Health insurance" means a hospital and medical expense-
7 incurred policy, certificate, or contract provided by an insurer, hospital or
8 medical service corporation, health maintenance organization, or any other
9 health care plan or arrangement that pays for or furnishes medical or health
10 care services whether by insurance or otherwise and includes any excess or
11 stop-loss coverage.

12 (B) "Health insurance" does not include long-term care,
13 disability income, short-term, accident, dental-only, vision-only, fixed
14 indemnity, limited-benefit or credit insurance, coverage issued as a
15 supplement to liability insurance, insurance arising out of workers'
16 compensation or similar law, automobile medical-payment insurance, or
17 insurance under which benefits are payable with or without regard to fault
18 and that is statutorily required to be contained in any liability insurance
19 policy or equivalent self-insurance;

20 (4) "Insurer" means an insurance company, a health maintenance
21 organization, a hospital and medical service corporation, or a self-insured
22 health plan for employees of a governmental entity; and

23 (5) "Life insurance" means insurance on human life.

24 (b) A requirement by an insurer that employers with fifty (50)
25 employees or less must purchase life insurance for their employees before
26 qualifying to purchase health insurance through the insurer is prohibited.

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