

HOUSE RESEARCH

Bill Summary

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Overview

This is the department of commerce's insurance technical bill. It makes a variety and technical, clarifying, and substantive changes to a variety of insurance laws.

Section

- 1 **Fees other than examination fees.** Provides that fees charged to insurance companies for filing forms and rates may, rather than must, be paid on a quarterly basis in response to billings. This permits alternative ways of paying these fees.
- 2 **Minimum education requirement.** Increases the hours of continuing education credit that may be claimed for teaching insurance continuing education. Changes the number of hours that may be earned through a certain category of instruction, and adds courses offered through distance learning to that category.
- 3 **Reporting.** Technical change in paragraph (a). Provides that nonaccredited courses are to be submitted to the commissioner for approval, and eliminates language involving an advisory committee in that process.
- 4 **Enforcement.** Changes a deadline for enforcement of insurance agent continuing education requirements.
- 5 **Reconstructive surgery.** Provides detail on the required health coverage for breast reconstructive surgery.
- 6 **Limitation on denials, conditions, and pricing of coverage.** The "six-month open window period" is a period in which a person can purchase Medicare supplemental coverage without medical underwriting. This section provides an additional "six-month open window period" for people who are covered by Medicare part B, voluntarily disenroll from it as a result of accepting a job that provides health coverage, and then later reenroll in Medicare part B when they retire from that job.

- 979 **MCHA enrollment period.** Provides that people enrolling in the Minnesota Comprehensive Health Association (MCHA) with a waiver of the six-month preexisting condition limitation must do so within 90 days of termination of prior coverage. Under current law, the time limit differs depending on the statute being used.
- 10 **Employee.** Changes the definition of employee in the small employer health insurance law from one who works at least 20 hours per week to one who works at least 17-½ hours per week. This change affects only the determination of whether an employer is a small employer, and does not require that employers provide insurance to these part-time employees.
- 11 **Guaranteed issue and reissue.** Provides that employers are small employers for purposes of health insurance renewal if they grow beyond 50 employees. Provides that employers that drop to one employee may stay in the small employer market for one renewal, to provide a chance to increase the workforce again to two or more employees.
- 12 **Cancellations and failures to renew.** Makes a change to conform to the preceding section.
- 13 **Nonlicensed utilization review organization.** Technical change to require use of department of commerce licensing application forms.
- 14 **Guaranteed renewability; large employer group health coverage.** Gives large employers (50 and above) the right to renew large group coverage when their number of employees drops below 50.
- 15 **Insolvency, bankruptcy, or default; utilization of security deposit.** Changes language governing what happens to the security deposit of an employer that is self-insured for worker's compensation when the employer is bankrupt or otherwise fails to pay valid worker's compensation claims.
- 16 **Effective date; application.** Amends an uncodified 2001 session law to clarify how the 2001 producer licensing act applies to insurance producers (agents) who had unexpired licenses under the previous laws.