

1
2
3
4
5
6
7
8

9
10
11
12
13
14
15
16
17
18
19
20

S.21

Introduced by Senators Benning, Collamore, Degree, Flory, and McAllister
Referred to Committee on
Date:
Subject: Health; health insurance; regional insurers
Statement of purpose of bill as introduced: This bill proposes to allow
Vermont residents to purchase health insurance plans that are offered in the
other New England states and New York.

An act relating to the purchase of health insurance across state lines

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 8 V.S.A. chapter 107, subchapter 4A is added to read:

Subchapter 4A. Health Insurance Market Expansion

§ 4094. PURPOSE

The General Assembly seeks to improve the health insurance coverage options available to Vermont residents and to increase competition among health benefit plans by permitting health insurers to issue individual health insurance policies in this State that are currently approved for issuance in another state.

§ 4094a. DEFINITIONS

As used in this subchapter:

1 (1) “Commissioner” means the Commissioner of Financial Regulation.

2 (2) “Health insurer” means a health insurance company, nonprofit
3 hospital or medical service corporation, or managed care organization.

4 (3) “Regional health insurer” means a health insurer holding a valid
5 certificate of authority to transact individual health insurance in Connecticut,
6 Maine, Massachusetts, New Hampshire, New York, or Rhode Island.

7 § 4094b. CERTIFICATION OF REGIONAL HEALTH INSURERS

8 (a) A regional health insurer shall not issue a health insurance policy to an
9 individual or otherwise transact business in this State by mail, Internet, or
10 otherwise unless the Commissioner has issued a certification that the regional
11 health insurer has met the requirements of subsections (b) through (g) of this
12 section. The Commissioner shall issue a certification or deny certification
13 within 30 days of receipt of a request.

14 (b) A policy, contract, or certificate of individual health insurance offered
15 for sale in this State by a regional health insurer shall comply with the
16 applicable individual health insurance laws in the state of domicile of that
17 regional health insurer and shall be actively marketed in that state.

18 (c) A regional health insurer shall disclose to prospective enrollees in this
19 State, in a format approved by the Commissioner, how the health plans it offers
20 differ from individual health plans offered by domestic insurers. Health plans’

1 policies and applications for coverage shall contain a disclosure statement
2 substantially similar to the following:

3 “This policy is issued by a regional health insurer and is governed by the
4 laws and rules of (regional health insurer’s state of domicile). This policy may
5 not be subject to all of the insurance laws and rules of the State of Vermont,
6 including coverage of certain health care services or benefits mandated by
7 Vermont law. Before purchasing this policy, you should carefully review the
8 terms and conditions of coverage under this policy, including any exclusions or
9 limitations of coverage.”

10 (d) A regional health insurer shall include in all individual policies issued
11 in this State the required standard policy provisions in section 4065 of this title.

12 (e) A regional health insurer shall comply with the requirements of section
13 4089f of this title for the independent external review of health care service
14 decisions.

15 (f) A regional health insurer shall comply with the requirements for
16 network adequacy established by the Commissioner by rule.

17 (g) A regional health insurer shall comply with the requirements of section
18 4062 of this title regarding the filing and approval of premium rates and forms.

19 (h) A regional health insurer shall designate an agent for receiving service
20 of legal documents or process in accordance with the requirements of
21 chapter 101 of this title.

1 (i) A regional health insurer shall provide the Commissioner with access to
2 the regional health insurer's records in accordance with the requirements of
3 chapter 101 of this title.

4 § 4094c. UNFAIR TRADE PRACTICES

5 The provisions of chapter 129 of this title shall apply to a regional health
6 insurer permitted to transact individual health insurance pursuant to this
7 subchapter.

8 § 4094d. TAXES

9 A regional health insurer transacting individual health insurance in this
10 State under this subchapter is subject to the applicable taxes and assessments
11 imposed on insurers transacting individual health insurance in this State
12 pursuant to 32 V.S.A. chapter 211, subchapter 7 and 32 V.S.A. chapter 243.

13 § 4094e. COMPLIANCE WITH COURT ORDERS

14 A regional health insurer transacting individual health insurance in this
15 State under this subchapter shall comply with lawful orders from courts of
16 competent jurisdiction issued in a voluntary dissolution proceeding or in
17 response to a petition for an injunction by the Commissioner asserting that the
18 regional health insurer is in a hazardous financial condition.

1 § 4094f. EXEMPTION FROM OTHER REQUIREMENTS

2 Except as expressly provided in this subchapter, the requirements of this
3 title do not apply to a regional health insurer permitted to transact individual
4 health insurance under this subchapter.

5 § 4094g. AGREEMENT WITH INSURANCE REGULATORS IN OTHER
6 STATES

7 The Commissioner shall enter into a memorandum of understanding or
8 other agreement with the insurance department of the state of domicile of a
9 regional health insurer permitted to transact individual health insurance in this
10 State under this subchapter with respect to enforcement of the provisions of
11 this subchapter.

12 Sec. 2. EFFECTIVE DATE

13 This act shall take effect on July 1, 2015, for coverage beginning on
14 January 1, 2017.