



General Assembly

February Session, 2022

Raised Bill No. 5383

LCO No. 2391



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT CONCERNING ASSOCIATION HEALTH PLANS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-1 of the 2022 supplement to the general statutes
2 is repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2022*):

4 Terms used in this title and section 2 of this act, unless it appears from
5 the context to the contrary, shall have a scope and meaning as set forth
6 in this section.

7 (1) "Affiliate" or "affiliated" means a person that directly, or indirectly
8 through one or more intermediaries, controls, is controlled by or is
9 under common control with another person.

10 (2) "Alien insurer" means any insurer that has been chartered by or
11 organized or constituted within or under the laws of any jurisdiction or
12 country without the United States.

13 (3) "Annuities" means all agreements to make periodical payments
14 where the making or continuance of all or some of the series of the

15 payments, or the amount of the payment, is dependent upon the
16 continuance of human life or is for a specified term of years. This
17 definition does not apply to payments made under a policy of life
18 insurance.

19 (4) "Commissioner" means the Insurance Commissioner.

20 (5) "Control", "controlled by" or "under common control with" means
21 the possession, direct or indirect, of the power to direct or cause the
22 direction of the management and policies of a person, whether through
23 the ownership of voting securities, by contract other than a commercial
24 contract for goods or nonmanagement services, or otherwise, unless the
25 power is the result of an official position with the person.

26 (6) "Domestic insurer" means any insurer that has been chartered by,
27 incorporated, organized or constituted within or under the laws of this
28 state.

29 (7) "Domestic surplus lines insurer" means any domestic insurer that
30 has been authorized by the commissioner to write surplus lines
31 insurance.

32 (8) "Foreign country" means any jurisdiction not in any state, district
33 or territory of the United States.

34 (9) "Foreign insurer" means any insurer that has been chartered by or
35 organized or constituted within or under the laws of another state or a
36 territory of the United States.

37 (10) "Insolvency" or "insolvent" means, for any insurer, that it is
38 unable to pay its obligations when they are due, or when its admitted
39 assets do not exceed its liabilities plus the greater of: (A) Capital and
40 surplus required by law for its organization and continued operation;
41 or (B) the total par or stated value of its authorized and issued capital
42 stock. For purposes of this subdivision "liabilities" shall include but not
43 be limited to reserves required by statute or by regulations adopted by
44 the commissioner in accordance with the provisions of chapter 54 or

45 specific requirements imposed by the commissioner upon a subject
46 company at the time of admission or subsequent thereto.

47 (11) "Insurance" means any agreement to pay a sum of money,
48 provide services or any other thing of value on the happening of a
49 particular event or contingency or to provide indemnity for loss in
50 respect to a specified subject by specified perils in return for a
51 consideration. In any contract of insurance, an insured shall have an
52 interest which is subject to a risk of loss through destruction or
53 impairment of that interest, which risk is assumed by the insurer and
54 such assumption shall be part of a general scheme to distribute losses
55 among a large group of persons bearing similar risks in return for a
56 ratable contribution or other consideration.

57 (12) "Insurer" or "insurance company" includes any person or
58 combination of persons doing any kind or form of insurance business
59 other than a fraternal benefit society, and shall include a receiver of any
60 insurer when the context reasonably permits.

61 (13) "Insured" means a person to whom or for whose benefit an
62 insurer makes a promise in an insurance policy. The term includes
63 policyholders, subscribers, members and beneficiaries. This definition
64 applies only to the provisions of this title and does not define the
65 meaning of this word as used in insurance policies or certificates.

66 (14) "Life insurance" means insurance on human lives and insurances
67 pertaining to or connected with human life. The business of life
68 insurance includes granting endowment benefits, granting additional
69 benefits in the event of death by accident or accidental means, granting
70 additional benefits in the event of the total and permanent disability of
71 the insured, and providing optional methods of settlement of proceeds.
72 Life insurance includes burial contracts to the extent provided by
73 section 38a-464.

74 (15) "Mutual insurer" means any insurer without capital stock, the
75 managing directors or officers of which are elected by its members.

76 (16) "Person" means an individual, a corporation, a partnership, a
77 limited liability company, an association, a joint stock company, a
78 business trust, an unincorporated organization or other legal entity.

79 (17) "Policy" means any document, including attached endorsements
80 and riders, purporting to be an enforceable contract, which
81 memorializes in writing some or all of the terms of an insurance
82 contract.

83 (18) "State" means any state, district, or territory of the United States.

84 (19) "Subsidiary" of a specified person means an affiliate controlled
85 by the person directly, or indirectly through one or more intermediaries.

86 (20) "Unauthorized insurer" or "nonadmitted insurer" means an
87 insurer that has not been granted a certificate of authority by the
88 commissioner to transact the business of insurance in this state or an
89 insurer transacting business not authorized by a valid certificate.

90 (21) "United States" means the United States of America, its territories
91 and possessions, the Commonwealth of Puerto Rico and the District of
92 Columbia.

93 Sec. 2. (NEW) (*Effective October 1, 2022*) (a) For the purposes of this
94 section:

95 (1) "Association health plan" means a fully insured group health
96 insurance policy that is (A) sponsored by a sponsoring association, and
97 (B) offered or sold to the employer members of the sponsoring
98 association to provide health benefits as permitted under the Employee
99 Retirement Income Security Act of 1974, as amended from time to time;

100 (2) "Employer" means (A) a sole proprietorship in this state, or (B) a
101 person doing business in this state that employs at least one individual
102 in this state; and

103 (3) "Sponsoring association" means an association comprised of one
104 or more employer members that provides an association health plan to

105 its employer members and their employees.

106 (b) Notwithstanding any provision of the general statutes and to the
107 maximum extent permitted by federal law, a sponsoring association
108 may provide coverage under an association health plan to the employer
109 members of the sponsoring association and their employees.

110 (c) The Insurance Commissioner shall adopt regulations, in
111 accordance with the provisions of chapter 54 of the general statutes, to
112 carry out the purposes of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2022	38a-1
Sec. 2	October 1, 2022	New section

Statement of Purpose:

To authorize association health plans in this state to the maximum extent permitted under federal law.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]