



General Assembly

**Amendment**

**February Session, 2022**

LCO No. **6322**



Offered by:

SEN. BERTHEL, 32<sup>nd</sup> Dist.

To: Subst. Senate Bill No. **13**

File No. 208

Cal. No. 164

(As Amended)

**"AN ACT REDUCING PRESCRIPTION DRUG PRICES."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

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4 statutes is repealed and the following is substituted in lieu thereof  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

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

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

12 (2) "Alien insurer" means any insurer that has been chartered by or  
13 organized or constituted within or under the laws of any jurisdiction or

14 country without the United States.

15 (3) "Annuities" means all agreements to make periodical payments  
16 where the making or continuance of all or some of the series of the  
17 payments, or the amount of the payment, is dependent upon the  
18 continuance of human life or is for a specified term of years. This  
19 definition does not apply to payments made under a policy of life  
20 insurance.

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

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

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

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

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

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

39 (10) "Insolvency" or "insolvent" means, for any insurer, that it is  
40 unable to pay its obligations when they are due, or when its admitted  
41 assets do not exceed its liabilities plus the greater of: (A) Capital and  
42 surplus required by law for its organization and continued operation;  
43 or (B) the total par or stated value of its authorized and issued capital

44 stock. For purposes of this subdivision "liabilities" shall include but not  
45 be limited to reserves required by statute or by regulations adopted by  
46 the commissioner in accordance with the provisions of chapter 54 or  
47 specific requirements imposed by the commissioner upon a subject  
48 company at the time of admission or subsequent thereto.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

105 (3) "Sponsoring association" means an association comprised of one  
 106 or more employer members that provides an association health plan to  
 107 its employer members and their employees.

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

112 (c) The Insurance Commissioner shall adopt regulations, in  
 113 accordance with the provisions of chapter 54 of the general statutes, to  
 114 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

Section 1	October 1, 2022	38a-1
Sec. 2	October 1, 2022	New section