

HB 1541-FN – AS INTRODUCED

2014 SESSION

14-2498
01/10

HOUSE BILL ***1541-FN***

AN ACT allowing health insurance policies to be sold without mandates.

SPONSORS: Rep. W. O'Brien, Hills 5; Rep. Hoell, Merr 23; Rep. Gidge, Hills 33; Sen. Sanborn,
Dist 9; Sen. Reagan, Dist 17

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill allows health insurance policies without mandates to be sold to New Hampshire residents. Under this bill, if the policy or certificate does not include certain mandated coverages, it must be submitted to the insurance commissioner for approval.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struck through.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fourteen

AN ACT allowing health insurance policies to be sold without mandates.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Chapter; Health Insurance Competition and Freedom Act. Amend RSA by inserting after
2 chapter 420-K the following new chapter:

3 CHAPTER 420-L

4 HEALTH INSURANCE COMPETITION AND FREEDOM ACT

5 420-L:1 Findings and Purpose. The general court finds:

6 I. That separate health and medical insurance company licensing among states results in a
7 lack of inter-state competition among health care insurance companies, which in turn contributes to
8 health and medical insurance policies being unnecessarily costly and therefore not universally
9 available to all.

10 II. That health insurance policies are additionally made costly and therefore not universally
11 available to all by numerous statutorily and regulatory mandated health insurance coverages, many
12 of which are of no or marginal use to certain individual health insurance policy holders or
13 beneficiaries or which would be rejected by some individual health insurance policy holders or
14 beneficiaries in order to obtain affordable core coverage.

15 III. That by allowing every health and medical insurance company, which is licensed to
16 provide health insurance coverage in any state of the United States and is in good standing in all
17 states in which it is registered or licensed to do business to provide health and medical insurance
18 coverage for New Hampshire residents after the company has registered with the commissioner of
19 the insurance department, the commissioner has verified that it is licensed to provide health
20 insurance coverage in any state of the United States and is in good standing in all states in which it
21 is registered or licensed to do business, and the commissioner has approved of its health insurance
22 policy, will result in greater competition among health insurers, thereby reducing the cost of health
23 insurance in New Hampshire.

24 IV. That by allowing health insurance companies to provide health insurance policies not
25 including previously mandated coverages, it is in the interest of the residents of New Hampshire
26 that those policies clearly state both what health insurance coverages are being provided as well as
27 those previously mandated coverages which are not provided.

28 V. That it is also in the interest of the residents of New Hampshire that all health insurance
29 companies providing health insurance coverage in New Hampshire be subject to the judicial and
30 regulatory jurisdiction of the state of New Hampshire.

HB 1541-FN – AS INTRODUCED

- Page 2 -

1 420-L:2 Definitions. In this chapter: The words and terms, “certificate,” “commissioner,”
2 “company,” “insurer,” “policy” and “policy form,” whether used in the singular or plural, shall have
3 the same meanings in this chapter as provided in RSA 420-H:2.

4 420-L:3 Acceptance of Out-of-State Licensed Health Care Companies and Insurers. All
5 companies and insurers that are licensed to provide health or medical insurance policy in any state
6 of the United states shall be allowed to provide health care insurance to residents of
7 New Hampshire, upon satisfaction of the conditions set forth in RSA 420-L:4.

8 420-L:4 Conditions for Companies and Insurers Providing Health Insurance Coverage in
9 New Hampshire. Each company and insurer providing any health or medical insurance policy to a
10 resident of New Hampshire:

11 I. Shall be licensed to provide health or medical insurance policies in New Hampshire or any
12 other state of the United States.

13 II. Shall register with the commissioner and annually renew such registration through
14 procedures or regulations adopted by the commissioner solely intended to verify the requirements of
15 this chapter.

16 III. Shall be registered with the New Hampshire secretary of state, either as a domestic or
17 foreign corporation or business, to do business in the state of New Hampshire.

18 IV. If not licensed in New Hampshire to provide such policies to residents of
19 New Hampshire, shall annual certify to the commissioner that it is licensed in another state of the
20 United States to provide such policies to insureds.

21 V. Shall use only policy forms and certificates approved by the commissioner solely on the
22 basis of the document language having a Flesch Reading Ease score of 45 or greater and clearly
23 identifying coverages that are provided and coverages listed in RSA 420-L:7 that are not going to be
24 provided pursuant to that policy form or certificate.

25 420-L:5 Appointment of Commissioner as Agent for Service of Process; Designation of Forum,
26 Venue and Jurisdiction. Companies and insurers providing any health or medical insurance policy
27 to a resident of New Hampshire shall be deemed to have irrevocably appointed the commissioner as
28 agent for service of process and, notwithstanding any language in a policy or certificate or otherwise,
29 to have agreed that the courts of the state of New Hampshire shall be the proper, convenient and
30 exclusive forum, venue and jurisdiction for resolving all disputes with residents of the state of
31 New Hampshire and arising under all its health or medical insurance policies and certificates
32 covering residents of the state of New Hampshire.

33 420-L:6 Pre-Approval of Policies and Certificates. Prior to providing health or medical
34 insurance coverage to any resident of New Hampshire pursuant to a policy or a certificate that does
35 not provide all of the mandated coverages set forth in RSA 420-L:7, the company or insurer providing
36 such health or medical insurance coverage shall submit the policy and certificate to the
37 commissioner for the commissioner to determine if the submitted policy and certificate satisfies the

HB 1541-FN – AS INTRODUCED
- Page 3 -

1 requirements of RSA 420-L:4, V and otherwise is reasonably understandable with regard to
2 coverages and exclusions from coverages. If the commissioner reasonably determines that the policy
3 or certificate fails to do so, the commissioner shall so inform the company or insurer and specify
4 changes to be made to achieve compliance with RSA 420-H and for the policy and certificate to be
5 reasonably understandable with regard to coverages and exclusions from coverages. If the
6 commissioner fails to make and communicate a reasonable determination within 60 days of the
7 submission of the policy or certificate, the submitted policy and certificate shall be deemed for all
8 purposes to satisfy this provision.

9 420-L:7 Mandated Coverages for Approved Policies and Certificates Not Required.

10 I. Any company or insurer may, through a policy or certificate approved or deemed approved
11 pursuant to RSA 420-L:6, provide health or medical insurance coverage that does not include any
12 statutorily or regulatory mandated health or medical insurance coverages, including without
13 limitation those listed in RSA 420-L:7, II and those which may hereafter be mandated by statute or
14 regulation.

15 II. Policies and certificates approved or deemed approved pursuant to RSA 420-L:6 shall not
16 be required to include any of the coverages listed or described in the following statutory provisions:
17 RSA 135-C:10, I(c); RSA 415:6-b; RSA 415:6-c; RSA 415:6-d; RSA 415:6-e; RSA 415:6-g; RSA 415:6-j;
18 RSA 415:6-l; RSA 415:6-m; RSA 415:6-n; RSA 415:6-o; RSA 415:6-p, RSA 415:6-q; RSA 415:6-v;
19 RSA 415:18-a; RSA 415:18-c; RSA 415:18-d; RSA 415:18-e; RSA 415:18-f; RSA 415:18-g; RSA 415:18-
20 h; RSA 415:18-i; RSA 415:18-j; RSA 415:18-l; RSA 415:18-n; RSA 415:18-q; RSA 415:18-r;
21 RSA 415:18-s; RSA 415:18-t; RSA 415:18-u; RSA 415:18-v; RSA 415:18-w; RSA 417-E; RSA 420-A:8-
22 r; RSA 420-A:13; RSA 420-A:14; RSA 420-A:17; RSA 420-A:17-a; RSA 420-A:17-b; RSA 420-A:17-c;
23 RSA 420-A:17-f; RSA 420-A:17-g; RSA 420-B:8-b; RSA 420-B:8-e; RSA 420-B:8-ee; RSA 420-B:8-f;
24 RSA 420-B:8-ff; RSA 420-B:8-gg; RSA 420-B:8-j; RSA 420-B:8-k; RSA 420-B:8-l, I or any other
25 coverage mandated by statute in the 20-year period preceding the effective date of this chapter.

26 420-L:8 Interpretation. All policies and certificates which are submitted for approval under
27 RSA 420-L:6 are to be interpreted broadly so as to find coverages unless plainly and clearly excluded,
28 and in favor of the insured or beneficiaries of such policy or certificates.

29 2 Effective Date. This act shall take effect 60 days after its passage.

HB 1541-FN - FISCAL NOTE

AN ACT allowing health insurance policies to be sold without mandates.

FISCAL IMPACT:

The Insurance Department states this bill, **as introduced**, will have an indeterminable impact on state general fund revenue, and may increase county and local expenditures by an indeterminable amount in FY 2014 and each year thereafter. There is no fiscal impact on state expenditures, or county and local revenue.

METHODOLOGY:

The Insurance Department states this bill allows the Insurance commissioner to approve health insurance policies that do not include certain mandated insurance benefits. There is no impact on State expenditures as the State is self-insured. As a result of this bill, insurance products that are not required to contain the mandates will be less expensive than those with mandated benefits. Additionally, the product cost of products that include mandates will increase due to anti-selection. Therefore the impact on the premium tax will be indeterminable. To the extent counties and locals purchase fully insured coverage and intend to continue to provide coverage that includes the mandates, they will experience an increase in costs.