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A bill to be entitled  
 An act relating to out-of-state group, blanket, and  
 franchise health insurance policies; amending s. 627.6515,  
 F.S.; revising certain criteria relating to nonapplication  
 of certain provisions to certain group health insurance  
 policies; specifying application; providing exceptions;  
 requiring certain policies, forms, and rates to be filed  
 and approved before providing or renewing coverage of  
 certain persons; requiring review by the Office of  
 Insurance Regulation; requiring combination of certain  
 insurer experience under certain circumstances; providing  
 for enforcement authority of the office; providing  
 requirements, limitations, and prohibitions relating to  
 insurers, policies, and coverage; requiring the office to  
 adopt rules; authorizing the office to exempt certain  
 policies, documents, or forms from certain provisions  
 under certain circumstances; specifying application;  
 providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (2) of section 627.6515, Florida  
 Statutes, is amended, and subsections (9), (10), (11), and (12)  
 are added to said section, to read:

627.6515 Out-of-state groups.--

(2) Except as specifically provided otherwise in this  
 part, this part does not apply to a group health insurance  
 policy issued or delivered outside this state under which a  
 resident of this state is provided coverage if the forms and  
 rates and changes to the forms and rates are subject to



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31 mandatory review and approval by the insurance regulatory  
32 authorities in the state of issue and:

33 (a) The policy is issued to an employee group the  
34 composition of which is substantially as described in s.  
35 627.653; a labor union group ~~or association group~~ the  
36 composition of which is substantially as described in s.  
37 627.654; an additional group the composition of which is  
38 substantially as described in s. 627.656 other than a group as  
39 described in s. 627.5565; a group insured under a blanket health  
40 policy when the composition of the group is substantially in  
41 compliance with s. 627.659; a group insured under a franchise  
42 health policy issued prior to October 1, 2001, when the  
43 composition of the group is substantially in compliance with s.  
44 627.663; an association group that has been in existence at  
45 least 5 years and ~~to cover persons associated in any other~~  
46 ~~common group, which common group~~ is formed and maintained by its  
47 members primarily for purposes of a specific and substantial  
48 single common interest such as, but not limited to, a single  
49 profession, skilled trade, hobby, or age group, or a trust on  
50 behalf of such a group ~~other than providing insurance~~; a group  
51 that is established primarily for the purpose of providing group  
52 insurance, provided the benefits are and remain reasonable in  
53 relation to the premiums charged thereunder and the issuance of  
54 the group policy has resulted, or will result, in economies of  
55 administration; or a group of insurance agents of an insurer,  
56 which insurer is the policyholder;

57 (b) Certificates evidencing coverage under the policy are  
58 issued to residents of this state and contain in contrasting  
59 color and not less than 10-point type the following statement:



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60 "The benefits of the policy providing your coverage are governed  
61 primarily by the law of a state other than Florida"; and

62 (c) The policy provides the benefits specified in ss.  
63 627.419, 627.6574, 627.6575, 627.6579, 627.6612, 627.66121,  
64 627.66122, 627.6613, 627.667, 627.6675, 627.6691, and 627.66911.

65 (9)(a) This subsection shall apply to all policies to  
66 which subsection (1) or subsection (2) apply except:

67 1. A health benefit plan as defined in s. 627.6699(3)(k),  
68 providing coverage solely to one or more small employers in  
69 accordance with the requirements of s. 627.6699, as to which  
70 plan there is compliance with the requirements of ss. 627.6699,  
71 627.410, and 627.411 as if the plan and all insurance policies  
72 related to the plan were issued and delivered in this state.

73 2. Policies providing coverage solely to employees or  
74 their dependents of an employer with over 50 employees.

75 3. Policies providing only Medicare supplement insurance,  
76 which are subject to part VIII of chapter 627.

77 4. Policies providing solely long-term care insurance,  
78 which are subject to part XVIII of chapter 627.

79 5. Policies issued to one or more labor organizations as  
80 defined in s. 447.02, none of which labor organizations  
81 represents self-employed persons, to provide coverage solely to  
82 members or dependents of members of the labor organization.

83 6. Policies issued to provide coverage to persons all of  
84 whom are in a licensed profession, to provide insurance coverage  
85 only to such licensed professionals, their employees, or their  
86 dependents.

87 7. Policies providing coverage only to persons or  
88 dependents of persons age 50 or over, provided the Office of  
89 Insurance Regulation determines that the benefits under the



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90 policy are reasonable in relation to the premiums charged under  
 91 the policy as demonstrated by being filed and approved pursuant  
 92 to ss. 627.410 and 627.411 and the issuance of the group policy  
 93 has resulted, or will result, in economies of administration.

94 8. Policies covering a group of insurance agents of an  
 95 insurer, which insurer is the policyholder.

96 9. Any other policy determined by order of the Office of  
 97 Insurance Regulation to be exempt from the requirements of  
 98 paragraphs (b) and (c), based upon and as long as the Office of  
 99 Insurance Regulation finds that the application of paragraphs  
 100 (b) and (c) to such policy is impractical and unnecessary for  
 101 the protection of the public.

102 (b) The policy, related certificate and enrollment forms  
 103 used in this state, and rates and changes in rates shall be  
 104 filed and approved pursuant to ss. 627.410 and 627.411, prior to  
 105 providing or renewing coverage under such policy to any resident  
 106 of this state, as if the policy were issued and delivered in  
 107 this state, notwithstanding any provision to the contrary in ss.  
 108 627.401, 627.410, and 627.411 or other provision of this code,  
 109 and shall be reviewed by the Office of Insurance Regulation  
 110 pursuant to the standards set forth in ss. 627.410 and 627.411,  
 111 as supplemented by the provisions of paragraph (c).

112 (c)1.a. The experience of the insurer under all policies  
 113 and policy forms providing similar benefits shall be combined  
 114 for all rating purposes relating to the policy if:

115 (I) Any health-status-related factor is used by the  
 116 insurer in determining the initial or continued eligibility of  
 117 any individual applicant for any coverage under the policy;

118 (II) Any health-status-related factor is used in  
 119 determining the initial or continued eligibility of any



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120 individual for membership in the group to whom or for the  
121 benefit of whom the policy is issued; or

122 (III) Any health-status-related factor is used by or on  
123 behalf of the group in determining the initial or continued  
124 eligibility of any group member for participation by that group  
125 member in the group insurance program.

126  
127 For purposes of this paragraph, the term "health-status-related  
128 factor" includes, but is not limited to, information relating to  
129 an individual or dependent of the individual concerning medical  
130 condition, receipt of medical care, individual or family health  
131 history, genetic information, health insurance or disability  
132 claims made, or absence from work due to sickness or other  
133 disability.

134 b. For the purpose of enforcing this subparagraph, the  
135 Office of Insurance Regulation shall adopt rules for use in  
136 determining whether policies and policy forms provide similar  
137 benefits, and the office's authority and discretion in adopting  
138 such rules shall be broadly construed towards the goal of  
139 moderating premium increases in any one policy by maximizing the  
140 size of the experience base upon which health insurers subject  
141 to this subparagraph determine health insurance rates and  
142 premiums.

143 2. The risk classification of an individual insured  
144 assigned by the insurer at initiation of coverage of that  
145 individual may not thereafter be changed at renewal or otherwise  
146 while coverage of that individual is in force.

147 3. Durational rating, the practice of increasing premiums  
148 paid by existing individual insureds based on the length of time  
149 the individual insured has been covered under the policy, is



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150 prohibited.

151 4. Premiums may only be increased for any individual  
152 insured if increased for all individuals under the policy in all  
153 rate classes and for all coverages, including riders, by the  
154 same percentage amount.

155 5. Provisions in the policy relating to pre-existing  
156 condition exclusions shall comply with the requirements of s.  
157 627.6561 as if the policy were issued and delivered in this  
158 state, provided that, notwithstanding any provision of s.  
159 627.6561(5)(b), (c), or (d) to the contrary, the insurer shall  
160 count as periods of prior creditable coverage for all purposes  
161 all periods of coverage previously provided to the individual by  
162 such insurer under any health insurance policy issued by such  
163 insurer to or for the benefit of the same group as the policy  
164 under which the individual seeks coverage.

165 6. The coverage of individuals under the policy shall be  
166 guaranteed renewable at the option of the individuals, as long  
167 as the master policy remains in force, except an insurer may  
168 nonrenew an individual's coverage for the reasons set forth in  
169 s. 627.6425(2), provided:

170 a. If the membership of any individual in the group to  
171 which or in relation to which the policy was issued is  
172 terminated by the group directly or indirectly on the basis of  
173 any health-status-related factor subsequent to the individual  
174 obtaining coverage under the group policy, the individual shall  
175 continue to be eligible for coverage under the policy under the  
176 same terms, conditions, and rates as if a member of the group.

177 b. If a master policy is terminated, individual insureds  
178 under the terminated policy shall, on a guaranteed-issue basis,  
179 be offered coverage by the insurer under any other health



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180 insurance then or within 90 days thereafter issued by the  
181 insurer to or for the benefit of the same group as the  
182 terminated policy and at the same risk classification which the  
183 individual was assigned under the terminated policy. Insurers  
184 shall provide printed notice to individuals whose coverage is  
185 terminated due to the termination of a master policy of their  
186 rights under this sub-subparagraph prior to termination of their  
187 coverage under the terminated policy.

188 7. The policy shall provide that individuals having in  
189 force any health insurance coverage under any other policy  
190 issued to the same group and providing similar benefits may  
191 transfer their coverage to such policy on a guaranteed-issue  
192 basis and at the same risk classification as assigned by the  
193 insurer under the policy from which they seek transferral.

194 (10) The Office of Insurance Regulation shall adopt rules  
195 implementing this section.

196 (11) The Office of Insurance Regulation may, by order,  
197 exempt from the requirements of subsections (4) and (5) as long  
198 as the office deems proper any policy, insurance document, or  
199 form or type thereof as specified in such order to which the  
200 department determines subsections (4) and (5) may not  
201 practicably be applied or the enforcement of which are, in the  
202 office's opinion, not desirable or necessary for the protection  
203 of the public.

204 (12) Subsections (4), (5), (9), and (11) apply to policies  
205 to which subsections (1) and (2) apply. Subsections (3), (6),  
206 (7), and (8) apply only to policies to which subsection (2)  
207 applies.

208 Section 2. This act shall take effect upon becoming a law.