

FEB 15 1990

HOUSE FILE 2431
BY COMMITTEE ON SMALL BUSINESS
AND COMMERCE

Place On Calendar

(SUCCESSOR TO HF 2122)

Passed House, Date 2/20/90 (p. 483) Passed Senate, Date 3/23/90 (p. 1287)
Vote: Ayes 41 Nays 0 Vote: Ayes 42 Nays 0

Approved April 6, 1990
By passed House as amended (5844)
3/28/90 (p. 1510)
93-0

A BILL FOR

1 An Act allowing a person to purchase insurance through the Iowa
2 comprehensive health association even if the person has
3 coverage under another insurance plan.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2431

1 Section 1. Section 514E.7, subsection 1, Code 1989, is
2 amended to read as follows:

3 1. A Except as otherwise provided in subsection 5, a
4 person is not eligible for an association policy if the
5 person, at the effective date of coverage, has or will have
6 coverage under any insurance plan that has coverage equivalent
7 to an association policy. Only residents of this state are
8 eligible for an association policy. Coverage under an
9 association policy is in excess of, and shall not duplicate,
10 coverage under any other form of health insurance.

11 Sec. 2. Section 514E.7, subsection 5, Code 1989, is
12 amended by adding the following new unnumbered paragraph:

13 NEW UNNUMBERED PARAGRAPH. If the association policy
14 contains a waiting period for preexisting conditions, an
15 insured may retain any existing coverage the person has under
16 an insurance plan that has coverage equivalent to the
17 association policy for the duration of the waiting period
18 only.

19 EXPLANATION

20 This bill permits a person to purchase insurance through
21 the Iowa comprehensive health association even if the person
22 has coverage under another insurance plan if the association
23 policy has a waiting period for preexisting conditions.

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HOUSE FILE 2431

S-5436

1 Amend House File 2431, as passed by the House, as
2 follows:

3 1. Page 1, by inserting after line 10, the
4 following:

5 "Sec. ____ . Section 514E.7, subsection 5, paragraph
6 b, Code 1989, is amended to read as follows:

7 b. Medical advice or treatment was recommended or
8 received within a period of six months before the
9 effective date of coverage.

10 These preexisting condition exclusions shall be
11 waived to the extent to which similar exclusions have
12 been satisfied under any prior health insurance
13 coverage which is anticipated to be or which was
14 involuntarily terminated, if the application for pool
15 coverage is made prior to an anticipated involuntary
16 termination or not later than thirty days following
17 the involuntary termination. In that case, coverage
18 in the pool shall be effective from the date on which
19 the prior coverage was terminated.

20 This subsection does not prohibit preexisting
21 conditions coverage in an association policy that is
22 more favorable to the insured than that specified in
23 this subsection.

24 For purposes of this subsection, "involuntary
25 termination" includes, but is not limited to, either
26 or both of the following:

27 (1) Anticipated termination or termination of
28 existing coverage or benefits when no conversion
29 policy would be or is available for that person, or a
30 dependent.

31 (2) Where benefits under any state or federal law
32 providing for continuation of coverage upon
33 termination of employment are scheduled to cease or in
34 fact cease for that person, or a dependent."

By COMMITTEE ON COMMERCE

WILLIAM D. PALMER, Chairperson

S-5436 FILED MARCH 12, 1990

Adopted as amended by 5496 3/23 (p 1286)

HOUSE FILE 2431

S-5496

1 Amend the amendment, S-5436, to House File 2431, as
2 passed by the House, as follows:

3 1. Page 1, line 13, by striking the words "is
4 anticipated to be or which".

5 2. Page 1, lines 15 and 16, by striking the words
6 "prior to an anticipated involuntary termination or".

7 3. Page 1, line 17, by inserting after the word
8 "termination." the following: "For purposes of this
9 subsection, involuntary termination includes, but is
10 not limited to, termination of coverage when a
11 conversion policy is not available or where benefits
12 under a state or federal law providing for
13 continuation of coverage upon termination of
14 employment will cease or have ceased."

15 4. Page 1, by striking lines 24 through 34.

By CALVIN O. HULTMAN

S-5496 FILED MARCH 14, 1990

Adapted 3/23 (p. 1286)

SENATE AMENDMENT TO HOUSE FILE 2431

H-5844

1 Amend House File 2431, as passed by the House, as
2 follows:

3 1. Page 1, by inserting after line 10, the
4 following:

5 "Sec. ____ . Section 514E.7, subsection 5, paragraph
6 b, Code 1989, is amended to read as follows:

7 b. Medical advice or treatment was recommended or
8 received within a period of six months before the
9 effective date of coverage.

10 These preexisting condition exclusions shall be
11 waived to the extent to which similar exclusions have
12 been satisfied under any prior health insurance
13 coverage which was involuntarily terminated, if the
14 application for pool coverage is made not later than
15 thirty days following the involuntary termination.

16 For purposes of this subsection, involuntary
17 termination includes, but is not limited to,
18 termination of coverage when a conversion policy is
19 not available or where benefits under a state or
20 federal law providing for continuation of coverage
21 upon termination of employment will cease or have
22 ceased. In that case, coverage in the pool shall be
23 effective from the date on which the prior coverage
24 was terminated.

25 This subsection does not prohibit preexisting
26 conditions coverage in an association policy that is
27 more favorable to the insured than that specified in
28 this subsection."

RECEIVED FROM THE SENATE

H-5844 FILED MARCH 23, 1990

House concurred 3/28 (p. 1509)

HOUSE FILE 2431

AN ACT

ALLOWING A PERSON TO PURCHASE INSURANCE THROUGH THE IOWA
COMPREHENSIVE HEALTH ASSOCIATION EVEN IF THE PERSON HAS
COVERAGE UNDER ANOTHER INSURANCE PLAN.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 514E.7, subsection 1, Code 1989, is amended to read as follows:

1. A Except as otherwise provided in subsection 5, a person is not eligible for an association policy if the person, at the effective date of coverage, has or will have coverage under any insurance plan that has coverage equivalent to an association policy. Only residents of this state are eligible for an association policy. Coverage under an association policy is in excess of, and shall not duplicate, coverage under any other form of health insurance.

Sec. 2. Section 514E.7, subsection 5, paragraph b, Code 1989, is amended to read as follows:

b. Medical advice or treatment was recommended or received within a period of six months before the effective date of coverage.

These preexisting condition exclusions shall be waived to the extent to which similar exclusions have been satisfied under any prior health insurance coverage which was involuntarily terminated, if the application for pool coverage is made not later than thirty days following the involuntary termination. For purposes of this subsection, involuntary termination includes, but is not limited to, termination of coverage when a conversion policy is not available or where benefits under a state or federal law providing for continuation of coverage upon termination of employment will cease or have ceased. In that case, coverage in the pool shall be effective from the date on which the prior coverage was terminated.

This subsection does not prohibit preexisting conditions coverage in an association policy that is more favorable to the insured than that specified in this subsection.

Sec. 3. Section 514E.7, subsection 5, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the association policy contains a waiting period for preexisting conditions, an insured may retain any existing coverage the person has under an insurance plan that has coverage equivalent to the association policy for the duration of the waiting period only.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2431, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved April 6, 1990

TERRY E. BRANSTAD
Governor

HF 2431