

House File 2256 - Introduced

HOUSE FILE 2256

BY KELLEY

A BILL FOR

- 1 An Act concerning notice to employees or members of the
- 2 termination or substantial modification of their group
- 3 accident or health insurance.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 509B.5, subsection 2, Code 2011, is
2 amended to read as follows:

3 2. If an employer or group policyholder terminates or
4 substantially modifies an agreement to provide accident or
5 health insurance for employees or members or if accident
6 or health insurance for employees or members is terminated
7 for failure to pay premiums or for another reason, the
8 employer or group policyholder shall notify the employees or
9 members, including persons being continued under the policy's
10 continuation provisions, of the termination or substantial
11 modification of their coverage. The notice shall be in writing
12 and delivered in person to the entitled persons or mailed to
13 their last known addresses at least ~~ten~~ thirty days prior to
14 the termination or substantial modification of the accident or
15 health insurance coverage. The employer or group policyholder
16 is solely liable for benefits, including extended benefits,
17 other than extended benefits for which the insurer is liable
18 in accordance with the provisions of the group policy, which
19 would have been payable had the accident or health insurance
20 remained in force or not been terminated or substantially
21 modified during the period of time following the termination or
22 substantial modification until the person entitled to notice is
23 given notice by the employer or group policyholder as required
24 by this subsection.

25 EXPLANATION

26 This bill provides that when an agreement to provide
27 accident or health insurance for employees or members
28 is terminated or substantially modified, the employer or
29 group policyholder must provide written notification of the
30 termination or modification to the employees or members at
31 least 30, instead of 10, days before the change occurs.