

Senate Study Bill 3133 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON SCHULTZ)

A BILL FOR

1 An Act relating to electronic delivery of certain insurance
2 notices and documents.

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

1 Section 1. Section 505B.1, Code 2022, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 11A. a. For purposes of this subsection:

4 (1) "*Covered employee*" or "*employee*" means an individual
5 participating in a group health plan and who is an employee of
6 the sponsor or policyholder of the group health plan.

7 (2) "*Covered person*" or "*person*" means an individual
8 participating in a group health plan.

9 (3) "*Smart device*" means an electronic device that combines
10 a cell phone with a hand-held computer and that offers internet
11 access, and text or electronic mail capabilities.

12 b. Notwithstanding any provision of this section to the
13 contrary, a sponsor or policyholder of a group health plan
14 may consent to notices and documents delivered by electronic
15 means, unless there is a federal requirement for a specific
16 mode of delivery, on behalf of the sponsor or policyholder's
17 covered employees and covered persons. For such consent to
18 be effective, the sponsor or policyholder shall do all of the
19 following:

20 (1) (a) Assign each covered employee an electronic mail
21 address for employment-related purposes at which the employee
22 may receive or access notices and documents delivered by
23 electronic means, or require each employee to provide the
24 sponsor or policyholder with an electronic mail address or a
25 smart device number at which the employee may receive or access
26 notices and documents delivered by electronic means.

27 (b) Require each covered person to provide the sponsor or
28 policyholder with an electronic mail address or a smart device
29 number at which the person may receive or access notices and
30 documents delivered by electronic means.

31 (2) Prior to delivery by electronic means of notices and
32 documents to covered employees and covered persons, the sponsor
33 or policyholder shall provide a notification in paper form to
34 each employee and each person that does all of the following:

35 (a) Notifies the employee or person that notices and

1 documents for the group health plan will be posted to an
2 internet site to which the employee or person will have
3 reasonable access, or be delivered to the employee's or
4 person's electronic mail address or smart device number.

5 (b) Confirms the electronic mail address or smart device
6 number to which notices and documents will be delivered by
7 electronic means to the employee or person.

8 (c) Provides instructions for accessing notices or
9 documents.

10 (d) Provides the time period during which a specific type of
11 notice or document delivered by electronic means will remain
12 accessible.

13 (e) Advises the employee or person that a paper form of a
14 notice or document may be requested and will be provided free
15 of charge, and the process to request a paper form.

16 (f) Advises the employee or person of the right to opt out
17 of delivery by electronic means and the process to exercise
18 that right.

19 (3) Provides notice to each covered employee and each
20 covered person each time a notice or document is posted on
21 the internet site described in subparagraph (2), subparagraph
22 division (a). The notice may be delivered by electronic means
23 and shall include all of the following:

24 (a) A prominent statement that important information
25 regarding the group health plan has been posted on the internet
26 site.

27 (b) The name of, or a description of, the notice or
28 document.

29 (c) The internet site address or the hyperlink at which the
30 notice or document may be accessed.

31 (d) A statement of the recipient's right to request the
32 notice or document in paper form, free of charge, and the
33 process to exercise that right.

34 (e) A statement of the recipient's right to opt out of
35 delivery by electronic means and to receive documents in paper

1 form free of charge.

2 (f) The time period during which the notice or document will
3 remain accessible on the internet site.

4 (g) A telephone number for the insurer or the group health
5 plan administrator.

6 NEW SUBSECTION. 11B. a. Notwithstanding any provision of
7 this section to the contrary, the issuer of a health insurance
8 policy or contract may provide a group or individual insurance
9 policy or contract electronically to a party without the
10 affirmative consent of the party if the issuer mails written
11 notice to the party describing all of the following:

12 (1) How to access the policy or contract electronically.

13 (2) That a paper form of the policy or contract may be
14 requested at any time.

15 (3) How to request a copy of the paper form of the policy
16 or contract.

17 (4) That the paper form of the policy or contract will be
18 provided free of charge to the party.

19 b. Notwithstanding any provision of this section to the
20 contrary, the issuer of a health insurance policy or contract
21 that receives a request from a party for a paper form of a
22 policy or contract shall provide the copy free of charge to the
23 party as soon as practicable but no later than fifteen calendar
24 days after the date that the issuer receives the party's
25 request.

26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with
28 the explanation's substance by the members of the general assembly.

29 This bill relates to electronic delivery of certain
30 insurance notices and documents.

31 The bill allows a sponsor or policyholder of a group
32 health plan to consent to electronic delivery of notices and
33 documents (documents), unless there is a federal requirement
34 for a specific mode of delivery, on behalf of the sponsor's
35 or policyholder's covered employees (employees) and covered

1 persons (persons). "Covered employee" and "covered person"
2 are defined in the bill. For the consent to be effective, the
3 sponsor or policyholder must assign each employee an electronic
4 mail address (email address) for employment-related purposes at
5 which the employee may receive or access documents delivered
6 by electronic means, or require each employee to provide an
7 email address or a smart device number at which the employee
8 may receive or access documents. "Smart device" is defined in
9 the bill. The sponsor or policyholder must also require each
10 person to provide an email address or smart device number at
11 which the person may receive or access documents.

12 Prior to beginning delivery by electronic means, the sponsor
13 or policyholder must provide a notification in paper form to
14 each employee and each person as detailed in the bill. The
15 sponsor or policyholder must also provide notice to each
16 employee and each person each time a document is posted on an
17 internet site at which the employee or person can access the
18 document. The notice must include the information as detailed
19 in the bill.

20 The bill provides that the issuer of a health insurance
21 policy or contract (issuer) may provide a group or individual
22 insurance policy or contract electronically to a party without
23 the affirmative consent of the party if the issuer mails
24 written notice to the party describing the requirements as
25 detailed in the bill. The bill requires that an issuer that
26 receives a request from a party for a paper form of a policy
27 or contract must provide the copy free of charge no later than
28 15 days after the date that the issuer receives the party's
29 request.