

FILED FEB 22 2006

COMMERCE

SENATE FILE 2260  
BY HATCH

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act concerning eligibility to become a member of a state group  
2 insurance plan for small business employees.

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

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COMMERCE

SF 2260

1 Section 1. NEW SECTION. 513B.9 STATE GROUP INSURANCE  
2 PLAN COVERAGE -- AVAILABILITY.

3 1. A small employer may offer group health insurance  
4 coverage to its employees through a state group insurance plan  
5 for employees of the state established under chapter 509A  
6 subject to the requirements of this section.

7 2. A small employer who seeks to offer state group  
8 insurance plans to employees shall enter into an agreement  
9 with the department of administrative services. The agreement  
10 shall provide, to the extent practicable, that employees be  
11 offered state group insurance plans on a basis similar to that  
12 offered full-time state employees excluded from collective  
13 bargaining as provided in chapter 20. The agreement shall  
14 also include, at a minimum, provisions under which state group  
15 insurance plans are available and the applicable enrollment  
16 rules and premium rates for each plan. The agreement shall be  
17 subject to review and approval by the commissioner of  
18 insurance.

19 3. For the purposes of this section, "small employer"  
20 means a person actively engaged in business, who on at least  
21 fifty percent of the business's working days during the  
22 preceding year, employed not less than two and not more than  
23 fifteen full-time equivalent eligible employees.

24 EXPLANATION

25 This bill provides that a small employer may enter into an  
26 agreement with the department of administrative services to  
27 offer state group insurance plans to its employees. The bill  
28 defines a "small employer" as an employer with two to 15 full-  
29 time equivalent employees. The bill provides that the plans  
30 offered shall, to the extent practicable, be the same as the  
31 plans offered state employees not covered by a collective  
32 bargaining agreement. The bill provides that the agreement  
33 with the department include provisions governing what plans  
34 are offered and the applicable enrollment rules and premium  
35 rates for each plan. The bill also provides that the

1 commissioner of insurance review and approve all agreements.

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