



## 2018 Group Benefits Employer Markets Legislative Notice

### Employee Version

**Note:** The purpose of this Notice is to provide an overview of new laws primarily passed in 2018 that may impact your insurance policy. These laws may apply to the extent that your policy has the applicable provisions in the contract.

**DISCLAIMER: The Hartford provides this Notice for informational purposes only. This Notice includes information that may impact policies issued by The Hartford, but does not constitute legal advice. You should continue to consult your employer's legal and HR resources for guidance on the application of the law(s) cited in this Notice.**

#### **Discretionary Clauses:**

**State and Title:** UT Senate Bill 135

**Effective Date:** May 8, 2018

**Summary:** Utah updated its statute on prohibited contractual provisions (Ins. 31A-21-314), defining the term "reserving discretionary authority," and specifies that any life insurance or accident and health insurance policy subject to this chapter may not contain a provision that reserves discretionary authority if it could impact a court's standard of review.

#### **Disclosures/Notices:**

**State and Title:** MI Bulletin 2018-04-INS

**Effective Date:** February 6, 2018

**Summary:** For fixed indemnity and hospital indemnity plans, disclaimer language on application materials must be modified to remove language related to the individual shared responsibility penalty, which is also commonly known as the individual tax penalty for failure to maintain sufficient health insurance coverage as defined by the Affordable Care Act.

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**State and Title:** RI Senate Bill 2048

**Effective Date:** January 1, 2019

**Summary:** Requires insurers and agents to provide a notice to individual life insurance policyholders advising them that if they are considering making changes to the status of their policy, they should consult with a licensed insurance agent or financial advisor and that important information related to policy options may be found on the Department of Business Regulation (DBR) website.

**Nondiscrimination:**

**State and Title:** NY Senate Bill 2496

**Effective Date:** February 3, 2019

**Summary:** Pursuant to the New York Living Donor Protection Act of 2018, an insurance company may not prevent or limit an individual from obtaining or maintaining any life, accident or health insurance coverage based solely on their status as a living organ or tissue donor.

**Policy Provisions:**

**State and Title:** NH Regulations 6001.01 through 6001.07

**Effective Date:** February 12, 2018

**Summary:** The New Hampshire Department of Insurance updated the insurance regulations to establish a new section 6001, replacing section 1901, which applies to certain group ancillary health products. The primary changes include: to the time period for excluding pre-existing conditions; an exclusion for loss arising from voluntary consumption of drugs not prescribed by the treating physician; and for policies which cover accidental bodily injury only, a disclosure statement is required on the cover of the policy that specifies that "the policy does not insure against loss resulting from sickness."

**State and Title:** NH Regulations 6101.01 to 6101.05

**Effective Date:** January 31, 2018

**Summary:** The New Hampshire Department of Insurance updated the insurance regulations to establish new section 6101, replacing section 1906. The new section requires hospital indemnity policies include a provision for an extension of benefit period **of no less than 90 days** in the event of total disability at the date of discontinuance of the group policy, contract, or certificate.

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**State and Title:** NH Regulations 6201.01 to 6201.07

**Effective Date:** August 3, 2018

**Summary:** The New Hampshire Department of Insurance updated the insurance regulations to establish a new section 6201, replacing section 1901 which had expired in 2014. The new section requires certain ancillary health policies to contain a disclosure advising that the policy provides limited benefits and does not provide comprehensive health coverage, provides details on when the *Outline of Coverage* notification is required, and necessitates a refund of premiums on a pro rata basis **within 30 days** for policies that suspend coverage during military service.

**State and Title:** NH Regulation, 6202.01 to 6202.07

**Effective Date:** November 5, 2018

**Summary:** The New Hampshire Department of Insurance updated the insurance regulations to establish a new section 6202, replacing section 1901 which had expired in 2014. The regulation updates the language contained within the Outline of Coverage notice for hospital indemnity, accident, and critical illness policies.

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### **Guaranty Association Notices:**

The purpose of the Life and Health Insurance Guaranty Associations is to provide certain insureds with a limited benefit in the event that their insurance company becomes insolvent and can no longer pay claims. Each state provides coverage according to its Life and Health Insurance Guaranty Association laws for certain certificate holders under a group insurance policy. All insurance companies (with limited exceptions) licensed to write life and health insurance or annuities in these states are required, as a condition of doing business in the state, to be members of the Guaranty Association. The Hartford is required by law to provide the Guaranty Association Notice as a means of informing policyholders of the existence and purpose of the Guaranty Association. The following states have made changes to their Guaranty Association coverage limits:

**State and Title:** AK Regulatory Activity Bulletin 18-12

**Effective Date:** October 1, 2018

**Summary:** The Alaska Department of Insurance issued a Bulletin advising carriers to replace the Guaranty Notice with a Summary Notice to simplify content for all life, annuities, accident and health insurance policies issued to Alaska residents.

**State and Title:** CO Notice, 4/1/2018

**Effective Date:** April 1, 2018

**Summary:** The Colorado Life and Health Insurance Protection Association updated the required notice to simplify the content. The notice also states that certain policies and contracts may not be covered or fully covered. For example, coverage does not extend to any portion(s) of a policy or contract that the insurer does not guarantee, such as certain investment additions to the account value of a variable life insurance policy or a variable annuity contract. There are also various residency requirements and other limitations under Colorado law.

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**State and Title:** VA Administrative Letter 2018-02

**Effective Date:** July 1, 2018

**Summary:** Virginia's Life and Health Insurance Protection Association (the "Association") recently amended its notice to broaden the protection it provides to certain organizations licensed in the state of Virginia.

**Summary of changes made to the VA Association Notice:**

Prior to 2018	As of 7/1/2018
The Association was established to provide protection in the unlikely event that your <u>life, annuity or health insurance company</u> licensed in the Commonwealth of Virginia	The Association was established to provide protection in the unlikely event that your <u>life, annuity or accident and sickness insurance company (including a health maintenance organization)</u> licensed in the Commonwealth of Virginia
\$500,000 in <u>hospital, medical and surgical</u> insurance benefits	\$500,000 for <u>health benefit plan</u>
\$100,000 in other types of <u>health</u> insurance benefits	\$100,000 in other types of <u>accident and sickness</u> insurance benefits
\$350,000 except for <u>hospital, medical and surgical insurance benefits</u> .	\$350,000 except for <u>health benefit plans</u>

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