

FEB 6 2002

COMMERCE AND REGULATION

HOUSE FILE 2242  
BY QUIRK

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

**A BILL FOR**

1 An Act relating to notice of lapse or termination of coverage  
2 under a policy or contract providing group health benefit  
3 coverage.

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

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HF 2242

1 Section 1. NEW SECTION. 509.20 NOTICE OF COVERAGE LAPSE  
2 OR TERMINATION.

3 1. A person issuing a policy or contract providing group  
4 health benefit coverage shall notify covered individuals at  
5 least ten days prior to any lapse or termination of any or all  
6 coverage under the policy or contract. The notice shall be in  
7 writing and delivered in person or mailed to the covered  
8 individual's last known address.

9 2. For purposes of this section, a "person issuing a  
10 policy or contract providing group health benefit coverage"  
11 includes all of the following:

12 a. A person issuing a group policy of accident or health  
13 insurance pursuant to this chapter.

14 b. A person issuing a group contract of a nonprofit health  
15 service corporation pursuant to chapter 514.

16 c. A person issuing a group contract of a health  
17 maintenance organization pursuant to chapter 514B.

18 d. An organized delivery system authorized under 1993 Iowa  
19 Acts, chapter 158, licensed by the director of public health,  
20 and providing group health benefit coverage.

21 e. A multiple employer welfare arrangement, as defined in  
22 section 3 of the federal Employee Retirement Income Security  
23 Act of 1974, 29 U.S.C. § 1002, paragraph 40, that meets the  
24 requirements of section 507A.4, subsection 9, paragraph "a".

25 f. A plan for public employees established pursuant to  
26 chapter 509A.

27 g. A person issuing or sponsoring an association group  
28 policy under section 509.14.

29 EXPLANATION

30 This bill provides that a person providing group health  
31 benefit coverage pursuant to policy or contract must give  
32 covered individuals at least 10 days' notice prior to any  
33 lapse or termination of any or all coverage. The notice must  
34 be in writing and mailed or delivered in person to the covered  
35 individual's last known address.

1 The bill specifies the types of providers of group health  
2 benefit coverage that must issue such notices.

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