

2007 SESSION

INTRODUCED

079245812

SENATE BILL NO. 1336

Offered January 15, 2007

A *BILL to amend and reenact § 38.2-3434 of the Code of Virginia, relating to health insurance; information provided to employers; liability.*

Patron—Ruff

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-3434 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-3434. Disclosure of information.

A. Any health insurance issuer offering health insurance coverage to ~~a~~ *an* employer shall make a reasonable disclosure of the availability of information to such an employer, as part of its solicitation and sales materials, and upon request of such an employer, information concerning: (i) the provisions of such coverage concerning the health insurance issuer's right to change premium rates and the factors that may affect changes in premium rates; (ii) the provisions of such coverage relating to renewability of coverage; (iii) the provisions of such coverage relating to any preexisting condition exclusion; and (iv) the benefits and premiums available under all health insurance coverage for which the employer is qualified.

B. *Any health insurance issuer offering health insurance coverage to an employer, prior to submitting a bid for a new policy, contract, or plan, or for the renewal or extension of an existing policy, contract, or plan, or otherwise setting premiums, rates, or charges for such a policy, contract, or plan, shall provide to the employer correct data regarding the utilization of benefits and services by individuals covered by the policy, contract, or plan. A health insurance issuer that fails to provide this correct data to the employer prior to the employer's purchase of health insurance coverage from the issuer shall be liable to the employer for an amount equal to 25 percent of the annual premium for the coverage for the issuer's first such failure, and 50 percent of the annual premium for the coverage for the issuer's second and any subsequent such failure. The Commission shall have the power to examine and investigate the affairs of any health insurance issuer to whom this subsection applies to determine whether the issuer has violated this subsection.*

C. A health insurance issuer is not required under this article to disclose any information that is proprietary and trade secret information.

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SB1336