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HOUSE BILL NO. 539

Offered January 13, 2010

Prefiled January 12, 2010

A BILL to amend and reenact § 38.2-3523.4 of the Code of Virginia, relating to group accident and sickness insurance; minimum size of group.

Patrons—Marshall, D.W. and Merricks

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-3523.4 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-3523.4. Minimum number of persons covered.

A. A group accident and sickness insurance policy shall on the issue date and at each policy anniversary date, cover at least two persons, other than spouses or minor children, unless such spouse or minor child is determined to be an eligible employee as defined in § 38.2-3431.

B. If the number of persons covered by a group accident and sickness insurance policy satisfies the requirements of subsection A on the group accident and sickness insurance policy's issue date, or the most recent policy anniversary date if the policy has been renewed or extended, then a decrease during the term of the policy in the number of covered persons that results in fewer persons being covered than is required by subsection A shall not (i) constitute grounds for the insurer to cancel the policy or (ii) otherwise affect the validity of the policy or the coverage provided thereunder with regard to any remaining covered person, until the policy's next scheduled expiration or renewal date.

INTRODUCED