

# VIRGINIA ACTS OF ASSEMBLY -- 2014 SESSION

## CHAPTER 511

*An Act to amend and reenact § 38.2-3407.14 of the Code of Virginia, relating to health insurance; notice of increase in premium or deductible.*

[H 1176]

Approved April 3, 2014

**Be it enacted by the General Assembly of Virginia:**

**1. That § 38.2-3407.14 of the Code of Virginia is amended and reenacted as follows:**

**§ 38.2-3407.14. Notice of premium or deductible increases.**

A. Each (i) insurer issuing individual or group accident and sickness insurance policies providing hospital, medical and surgical or major medical coverage on an expense-incurred basis, (ii) corporation providing individual or group accident and sickness subscription contracts, and (iii) health maintenance organization providing a health care plan for health care services, shall provide in conjunction with the proposed renewal of coverage under any such policies, contracts, or plans, prior written notice of intent to increase by more than 35 percent the annual premium charged for coverage thereunder.

B. *Effective with policy, contract, or plan year renewals beginning on or after January 1, 2015, each health carrier providing individual health insurance coverage shall provide in conjunction with the proposed renewal of individual health insurance coverage prior written notice of intent to increase the annual premium charge for coverage or any deductible required thereunder. As used in this section, "deductible" means the annual dollar amount of covered items or services that the insured, subscriber, or enrollee is obligated to pay before benefits are payable under the health benefit plan.*

C. Notice required by this section shall be provided in writing at least 60 days prior to the proposed renewal of coverage under any such policy, contract, or plan *described in subsection A and effective with policy, contract, or plan year renewals beginning on or after January 1, 2015, at least 75 days prior to the proposed renewal of individual health insurance coverage described in subsection B. In either case, notice shall be provided to the policyholder, contract holder, or subscriber, or to the designated consultant or other agent of the group policyholder, contract holder, or subscriber if requested in writing by the group policyholder, contract holder, or subscriber, as appropriate.*

D. *The time frames specified in subsection C for the provision of notices may be adjusted by the Commission's Bureau of Insurance to account for delays in product or rate approval by the Bureau of Insurance that result from filing requirements established by the United States Department of Health and Human Services.*