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SENATE BILL NO. 1674

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on January 31, 2019)

(Patron Prior to Substitute—Senator Reeves)

A BILL to amend the Code of Virginia by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.20, relating to health insurance; short-term, limited-duration health plans; guaranteed options.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 1 of Chapter 34 of Title 38.2 a section numbered 38.2-3407.20 as follows:

§ 38.2-3407.20. *Guaranteed options; short-term, limited-duration health plans.*

A. As used in this section:

"Carrier" means any entity that is authorized to sell, offer, or provide a short-term, limited-duration health plan.

"Covered person" means a policyholder, subscriber, enrollee, participant, or other individual who is entitled to health care services provided, arranged for, paid for, or reimbursed pursuant to a short-term, limited-duration health plan.

"Guaranteed option" means a contract or agreement between a covered person and a carrier that guarantees the option of the covered person to purchase a new short-term, limited-duration health plan at a future date. A guaranteed option is not a health benefit plan.

"Health benefit plan" has the meaning ascribed to the term in § 38.2-3438.

"Premium" means all moneys paid by a covered person as a condition of coverage from a carrier, including fees and other contributions associated with the short-term, limited-duration health plan.

"Re-underwriting" means the reevaluation of any health-status-related factor of an individual for purposes of adjusting premiums, benefits, or contractual terms

"Short-term, limited-duration health plan" means a health benefit plan that specifies an expiration date that is less than 12 months after its original effective date and, taking into account renewals or extensions, has a duration that does not exceed 36 months.

B. A carrier may offer for sale to covered persons a guaranteed option that provides the covered person with a guaranteed option to purchase, without re-underwriting, a new short-term, limited-duration health plan upon termination of the covered person's current short-term, limited-duration health plan. A guaranteed option may guarantee the premium rate for the short-term, limited-duration health plan at a specified future date.