

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

5 [S 1674]

6 Approved

7 **Be it enacted by the General Assembly of Virginia:**8 **1. That the Code of Virginia is amended by adding in Article 1 of Chapter 34 of Title 38.2 a**
9 **section numbered 38.2-3407.20 as follows:**10 **§ 38.2-3407.20. *Guaranteed options; short-term, limited-duration health plans.***11 **A. As used in this section:**12 *"Carrier" means any entity that is authorized to sell, offer, or provide a short-term, limited-duration*
13 *health plan.*14 *"Covered person" means a policyholder, subscriber, enrollee, participant, or other individual who is*
15 *entitled to health care services provided, arranged for, paid for, or reimbursed pursuant to a short-term,*
16 *limited-duration health plan.*17 *"Guaranteed option" means a contract or agreement between a covered person and a carrier that*
18 *guarantees the option of the covered person to purchase a new short-term, limited-duration health plan*
19 *at a future date. A guaranteed option is not a health benefit plan.*20 *"Health benefit plan" has the meaning ascribed to the term in § 38.2-3438.*21 *"Premium" means all moneys paid by a covered person as a condition of coverage from a carrier,*
22 *including fees and other contributions associated with the short-term, limited-duration health plan.*23 *"Re-underwriting" means the reevaluation of any health-status-related factor of an individual for*
24 *purposes of adjusting premiums, benefits, or contractual terms.*25 *"Short-term, limited-duration health plan" means a health benefit plan that specifies an expiration*
26 *date that is less than 12 months after its original effective date and, taking into account renewals or*
27 *extensions, has a duration that does not exceed 36 months.*28 **B. A carrier may offer for sale to covered persons a guaranteed option that provides the covered**
29 **person with a guaranteed option to purchase, without re-underwriting, a new short-term,**
30 **limited-duration health plan upon termination of the covered person's current short-term,**
31 **limited-duration health plan. A guaranteed option may guarantee the premium rate for the short-term,**
32 **limited-duration health plan at a specified future date.**

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