

STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Bulletin No. HC-75
October 13, 2009

TO: All Health Insurers Authorized to Conduct Business in Connecticut and
All Producers Licensed in Connecticut To Sell Health Insurance

SUBJECT: Group Trust and Association Health Insurance Coverage

This Bulletin is an update and supplement to Bulletin No. HC-32 dated July 15, 1983.

Due to a number of recent complaints, the Department is reiterating the requirements for group trust and association health insurance coverage sold to individuals where the group policy is issued or delivered in another state.

Forms Issues

Under Section 38a-513(a) of the Connecticut General Statutes, no group health insurance policy or certificate may be delivered or issued in Connecticut unless a copy of the form of such policy or certificate has been submitted to, and approved by, the Department. The statutory language is clear that any group certificates to be delivered and issued in Connecticut must be filed and approved first before use. The fact that the group policy may be delivered or issued in another state, does not in any way alter this requirement that group certificates to be provided to Connecticut individuals under group trust and association business must be filed and approved before use in Connecticut.

The Department interprets the term "delivered" in section 38a-513(a) to include certificates which are sent electronically and which may be opened and printed in Connecticut by Connecticut insureds, as well as certificates sent by mail.

Such group health insurance certificates issued to Connecticut residents must comply with all applicable Connecticut group health insurance mandates and other insurance laws related to group health insurance. Group trust and association business sold to individuals is considered group health insurance business, and therefore subject to group health insurance requirements.

In Connecticut, small employers include self-employed individuals. If a self-employed individual is issued a certificate through an association or group trust, that plan becomes a small employer plan as defined in Section §38a-564 of the Connecticut General Statutes, and must be in compliance with all requirements set forth in Sections §38a-564 through §38a-574 of the Connecticut General Statutes. The exemption for individual health insurance plans issued to a self-employed individual that meets the requirements of Section §38a-566(e) applies only to individual health insurance policies and does not apply to group certificates issued through group trust or association plans.

Enforcement Action

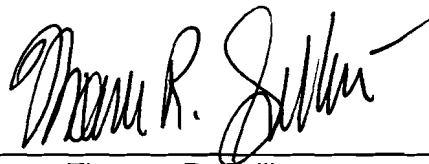
The Department will proceed with appropriate administrative enforcement action against health insurers not following the above statutory requirements.

Producer Issues

The Department reaffirms the directive of Bulletin No. HC-32 that producers licensed in Connecticut are not permitted to sell group health insurance coverage offered through out-of-state trusts and associations, unless the group certificate forms have been filed with and approved by, the Department. If a producer is not compliant, the Department will take disciplinary action against the producer as well as the health insurer.

Questions

Please contact the Insurance Department Life and Health Division with any questions at cid.lh@ct.gov.

A handwritten signature in black ink, appearing to read "Thomas R. Sullivan", written in a cursive style. The signature is positioned above a horizontal line.

Thomas R. Sullivan
Insurance Commissioner