

2 SHB 2694 - S COMM AMD

3 By Committee on Financial Institutions & Insurance

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5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 48.20 RCW  
8 to read as follows:

9 (1) No disability insurer may decline to renew an individual  
10 disability insurance policy except for nonpayment of premium or cost  
11 sharing amounts owed to the insurer, misrepresentation, fraud,  
12 discontinuance of all such policies in this state, or for cause as  
13 authorized by the commissioner. The insurer may modify an individual  
14 policy form issued to the insured if such modifications are made on a  
15 class basis. The insurer may terminate an individual policy form if  
16 the insurer offers all policyholders having such coverage its most  
17 equivalent alternative coverage without health screening or, upon  
18 obtaining the written approval of the commissioner, it obtains for the  
19 persons covered under the policy, coverage with another health  
20 maintenance organization, health care service contractor, or insurer  
21 which coverage provides equivalent benefits for value paid.

22 (2) The commissioner shall adopt rules prohibiting insurers from  
23 engaging in a pattern or practice of subjecting high risk persons to  
24 substantial rate increases by discontinuing issuance of individual  
25 policy forms and requiring the high risk insured with such coverage to  
26 undergo health screening to qualify for coverage under new, lower cost  
27 individual policy forms. The insurer may limit issuance of coverage  
28 without health screening under the new policy form to a period of not

1 less than thirty days from the date such coverage is offered to the  
2 insured."

3 "NEW SECTION. **Sec. 2.** A new section is added to chapter 48.44 RCW  
4 to read as follows:

5 (1) No health care service contractor may decline to renew an  
6 individual health care service contract except for nonpayment of  
7 premium or cost sharing amounts owed to the contractor,  
8 misrepresentation, fraud, discontinuance of all such policies in this  
9 state, or for cause as authorized by the commissioner. The health care  
10 service contractor may modify an individual contract issued to the  
11 insured or subscriber if such modifications are made on a class basis.  
12 The health care service contractor may terminate an individual health  
13 care service contract form if the contractor offers all insureds or  
14 subscribers having such coverage its most equivalent alternative  
15 coverage without health screening or, upon obtaining the written  
16 approval of the commissioner, it obtains for the persons covered under  
17 the contract, coverage with another health care service contractor,  
18 health maintenance organization, or insurer which coverage provides  
19 equivalent benefits for value paid.

20 (2) The commissioner shall adopt rules prohibiting health care  
21 service contractors from engaging in a pattern or practice of  
22 subjecting high risk persons to substantial rate increases by  
23 discontinuing issuance of individual health care service contract forms  
24 and requiring the high risk insured or subscriber with such coverage to  
25 undergo health screening to qualify for coverage under new, lower cost  
26 individual health care service contract forms. The health care service  
27 contractor may limit issuance of coverage without health screening  
28 under the new contract form to a period of not less than thirty days  
29 from the date such coverage is offered to the covered person."

1           "NEW SECTION.   **Sec. 3.** A new section is added to chapter 48.46 RCW  
2 to read as follows:

3           (1) No health maintenance organization may decline to renew an  
4 individual health maintenance agreement except for nonpayment of  
5 premium or cost sharing amounts owed to the health maintenance  
6 organization, misrepresentation, fraud, discontinuance of all such  
7 policies in this state, or for cause as authorized by the commissioner.  
8 The health maintenance organization may modify an individual agreement  
9 issued to the enrolled participant or subscriber if such modifications  
10 are made on a class basis. The health maintenance organization may  
11 terminate an individual health maintenance agreement form if the  
12 organization offers all enrolled participants having such coverage its  
13 most equivalent alternative coverage without health screening or, upon  
14 obtaining the written approval of the commissioner, it obtains for the  
15 persons covered under the agreement, coverage with another health  
16 maintenance organization, health care service contractor, or insurer  
17 which coverage provides equivalent benefits for value paid.

18           (2) The commissioner shall adopt rules prohibiting health  
19 maintenance organizations from engaging in a pattern or practice of  
20 subjecting high risk persons to substantial rate increases by  
21 discontinuing issuance of individual health maintenance agreement forms  
22 and requiring the high risk enrolled participants with such coverage to  
23 undergo health screening to qualify for coverage under new, lower cost  
24 individual health maintenance agreement forms. The health maintenance  
25 organization may limit enrollment without health screening under the  
26 new contract form to a period of not less than thirty days from the  
27 date such form is offered to the subscriber."

1        "NEW SECTION.   **Sec. 4.**        The provisions of this act apply to all  
2 individual policies, contracts, and agreements issued, amended, or  
3 renewed after December 31, 1992."

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5        By Committee on Financial Institutions & Insurance

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7        On page 1, line 2 of the title, after "policies;" strike the  
8 remainder of the title and insert "adding a new section to chapter  
9 48.20 RCW; adding a new section to chapter 48.44 RCW; adding a new  
10 section to chapter 48.46 RCW; and creating a new section."