

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board --in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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Group Coverage Discontinuance and Replacement Model Regulation

{Title, enacting clause, etc.}

Section 1. This Act may be cited as the Group Coverage Discontinuance and Replacement Model Regulation. (This bill is intended to be introduced with the Health Insurance Reform Act for Small Business Coverage.)

Section 2. Authority.

These rules and regulations are adopted and promulgated by (title of supervisory authority) pursuant to Section (insert applicable section) of the (insert state) Insurance Code.

Section 3. Scope.

This regulation is applicable to all insurance policies and subscriber contracts issued or provided by an insurance company or nonprofit service corporation on a group or group-type basis covering persons as employees of employers or as member of unions or association.

Section 4. Definition.

The term "group-type basis" means a benefit plan other than "salary budget" plans utilizing individual insurance policies or subscriber contracts, which meets the following conditions:

(A) Coverage is provided through insurance policies or subscriber contracts to classes of employees or members defined in terms of conditions pertaining to employment or membership.

(B) The coverage is not available to the general public and can be obtained and maintained only because of the covered person's membership in or connection with the particular organization or group.

(C) There are arrangements for bulk payments of premiums or subscription charges to the insurer or nonprofit service corporation.

(D) There is sponsorship of the plan by the employer, union, or association.

Section 5. Effective Date of Discontinuance for Non-Payment of Premium or Subscription Charges.

(A) If a policy or contract subject to these rules and regulations provides for automatic discontinuance of the policy or contract after a premium or subscription charge has remained unpaid through the grace period allowed for such payment, the carrier shall be liable for valid claims for covered losses incurred prior to the end of the grace period.

(B) If the actions of the carrier after the end of the grace period indicate that it considers the policy or contract as continuing in force beyond the end of the grace period, such as by continuing to recognize claims subsequently incurred, the carrier shall be liable for valid claims for losses beginning prior to the effective date of written notice of discontinuance to the policy holder or other entity responsible for making payment or submitting subscription charges to the carrier. The effective date of discontinuance shall not be prior to midnight at the end of the third scheduled workday after the date upon which the notice is delivered.

Section 6. Requirements for Notice of Discontinuance.

(A) Any notice of discontinuance so given by the carrier shall include a request to the group policyholder or other entity involved to notify employees covered under the policy or subscriber contract of the date as of which the group policy or contract will discontinue and to advise that, unless otherwise provided in the policy or contract, the carrier shall not be liable for claims for losses incurred after such date. Such notice of discontinuance shall also advise, in an instance in which the plan involves employee contributions for the coverage beyond the date of discontinuance, the policyholder or other entity may be held solely liable for the benefits with respect to which the contributions have been collected.

Did you know that big pharma company Bayer Healthcare was the corporate co-chair in 2011?

(B) The carrier shall prepare and furnish to the policyholder or other entity at the same time a supply of notice forms to be distributed to the employees or members concerned, indicating such discontinuance and the effected date thereof, and urging the employees or members to refer to their certificates or contracts in order to determine what right, if any, are available to them upon such discontinuance.

Section 7. Extension of Benefits.

(A) Every group policy or other contract subject to these rules and regulations hereafter issued, or under which the level of benefits is hereafter altered, modified, or amended, must provide a reasonable provision for extension of benefits in the event of total disability at the date of discontinuance of the group policy or contract, as required by the following Subsections of this Section

(B) In the case of a group life plan that contains a disability benefit extension of any type (e.g., premium waiver extension, extended death benefit in event of total disability), the discontinuance of the group policy shall not operate to terminate such extension.

(C) In the case of a group plan providing benefits for loss of time from work or specific indemnity during hospital confinement, discontinuance of the policy during a disability shall have no effect on benefits payable for that disability or confinement.

(D) In the case of hospital or medical expense coverages other than dental and maternity expense, a reasonable extension of benefits or accrued liability provision is required. Such a provision will be considered "reasonable" if it provides an extension of at least 12 months under "major medical" and "comprehensive medical" type coverages, and under other types of hospital or medical expense coverages providing either an extension of at least 90 days or an accrued liability for expenses incurred during a period of disability or during a period of at least 90 days starting with a specific event which occurred while coverage was in force (e.g., an accident).

(E) Any applicable extension of benefits or accrued liability shall be described in any policy or contract involved as well as in group insurance certificates. The benefits payable during any period of extension or accrued liability may be subject to the policy or contract's regular benefit limits.

Section 8. Continuance of Coverage in Situations Involving Replacement of One Carrier by Another

(A) This Section shall indicate the carrier responsible for liability in those instances in which one carrier's contract replaces a plan of similar benefits of another.

(B) {Liability of prior carrier.} The prior carrier remains liable only to the extent of its accrued liabilities and extension of benefits. The position of the prior or other entity secures replacement coverage from a new carrier, self-insures, or forgoes the provision of coverage.

(C) {Liability of succeeding carrier.}

1) Each person who is eligible for coverage in accordance with the succeeding carrier's plan of benefits (in respect of classes eligible and actively at work and non-confinement rules) shall be covered by that carrier's plan of benefits.

2) Each person not covered under the succeeding carrier's plan of benefits in accordance with paragraph (1) above must nevertheless be covered by the succeeding carrier in accordance with the following rules if such individual was validly covered (including benefit extension) under the prior plan on the date of discontinuance and if such individual is a member of the class or classes of individuals eligible for coverage under the succeeding carrier's plan. Any reference to the individual carrier's coverage becomes effective.

a) The minimum level of benefits to be provided by the succeeding carrier shall be the applicable level of benefits of the prior carrier's plan reduced by any benefits payable by the prior plan

b) Coverage must be provided by the succeeding carrier until at least the earliest of the following dates:

I. the date the individual becomes eligible under the succeeding carrier's plan as described in paragraph (1) above;

II. for each type of coverage, the date the individual's coverage would terminate in accordance with the succeeding carrier's plan provisions applicable to individual termination of coverage (such as at termination of employment or ceasing to be an eligible dependent);

III. in the case of an individual who is totally disabled, and in the case of a type of coverage for which Section 6 requires an extension of accrued liability, the end of any period of extension or accrued liability which is required of the prior carrier by Section 6, or if the prior carrier's policy or contract is not subject to that Section, would have been required of that carrier had its policy or contract

been subject to Section 6 at the time the prior plan was discontinued and replaces by the succeeding carrier's plan.

3) In the case of preexisting conditions limitations included in the succeeding carrier plan, the level of benefits applicable to preexisting conditions of persons becoming covered by the succeeding carrier's plan in accordance with this paragraph during the period of this time limitation applies under the new plan shall be the lesser of:

a) The benefits of the new plan determined without application of the preexisting conditions limitation; or

b) The benefits of the prior plan.

4) The succeeding carrier, in applying any deductibles or waiting periods in its plan, shall give credit for the satisfaction or partial satisfaction of the same or similar provisions under a prior plan providing similar benefits. In the case of deductible provisions, the credit shall apply for the same or overlapping benefit periods and shall be given for expenses actually incurred and applied against the deductible provisions of the prior carrier's plan during the ninety (90) days preceding the effective date of the succeeding carrier's plan but only to the extent these expenses are recognized under the terms of the succeeding carrier's plan and are subject to a similar deductible provision.

5) In any situation where a determination of the prior carrier's benefit is required by the succeeding carrier, at the succeeding carrier's request the prior carrier shall furnish a statement of the benefits available or pertinent information, sufficient to permit verification of the benefit determination or the determination itself by the succeeding carrier. For the purposes of Section 7, benefits, conditions and covered expense provisions of the prior plan rather than those of the succeeding plan. The benefit determination shall be made as if coverage has not been replaced by the succeeding carrier.

Section 9. {Severability clause}

Section 10. {Repealer clause}

Were your laws repealed?

Section 11. {Effective date} These rules and regulations shall take effect on (insert a date at least 120 days after promulgation).

1993 Sourcebook of American State Legislation

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