Renewability of Individual Health Insurance Act

Summary

The purpose of this Act is to reform the individual health insurance market to prevent insurance companies from cancelling individual policies due to illness or high-risk health conditions once they have been underwritten.

Model Legislation

Section 1. {Definitions}

(A) The term “insurer” means any entity which provides health insurance in this state.

(B) The term “individual health benefit plan” means any plan which is insured by an insurer and which provides medical, surgical, or hospital care or benefits to a resident of this state. The term does not include non-renewable plans with a duration of 6 months or less, accident-only, credit, dental, vision, Medicare supplement, long-term care, or disability income insurance, coverage issued as a supplement to liability insurance, worker’s compensation or similar insurance, automobile medical payment insurance, or employee welfare benefit plans.

Section 2. {Non-renewal}

(A) No insurer providing coverage under an individual health benefit plan shall non-renew such plan except for the following reasons:

1. Nonpayment of required premium;
2. Fraud or misrepresentation on the part of the individual;
3. Non-compliance with provisions of the plan;
4. Non-renewal upon ninety (90) days written notice with respect to all persons insured under a particular individual health plan in the state.

(B) An insurer that exercises its right on non-renewal as provided in paragraph 2A.4. may not accept any new individual health business for a period of five (5) years, after it provides notice of such non-renewal.

Section 3. {Severability clause}

Section 4. {Repealer clause}

Section 5. {Effective date}

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