Section 1. The legislature finds that the rising cost of comprehensive group health coverage is exceeding the affordability of many small businesses and their employees. The legislature further finds that the policy of mandating health care benefits has had an adverse impact on the cost of such coverage. It is therefore the intent of the legislature to reduce costs by authorizing the development of basic hospital and medical coverage for small groups.

Section 2.

(A) A basic group disability insurance policy may be offered to employers of fewer than one hundred employees. Such a basic group disability policy shall provide coverage for hospital expenses and services rendered by a physician licensed by this State, but is not subject to the requirements of (INSERT ALL MANDATED BENEFIT STATUTES).

(B) Nothing in this Section shall prohibit an insurer from offering, or a purchaser from seeking, benefits in excess of the basic coverage authorized herein. Nothing in this Section shall restrict the right of employees to collectively bargain for insurance providing benefits in excess of those provided herein.

(C) All forms, policies, and contracts shall be submitted for approval to the Insurance Commissioner, and the rates of any plan offered under this Section shall be reasonable in relation to the benefits thereto.

Section 3. (Severability clause.)

Section 4. (Repealer clause.)

Section 5. (Effective date.)