

HOUSE BILL NO. 104
INTRODUCED BY B. BERGREN
BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE QUALIFICATIONS FOR A VOLUNTARY PURCHASING POOL; DECREASING THE NUMBER OF REQUIRED EMPLOYEES FROM 1,000 TO 51; ELIMINATING THE OPTION OF USING RATING ARRANGEMENTS TO OFFER DISABILITY INSURANCE POLICIES, CERTIFICATES, OR CONTRACTS THROUGH A POOL THAT RATES EACH MEMBER EMPLOYER SEPARATELY; REQUIRING CONTRACTS OFFERED THROUGH A POOL TO RATE AN ENTIRE GROUP AS A WHOLE AND TO CHARGE EACH INSURED PERSON BASED ON A COMMUNITY RATE WITHIN THE COMMON GROUP AS PERMITTED BY LAWS GOVERNING LARGE GROUP DISABILITY INSURANCE; AND AMENDING SECTION 33-22-1815, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-22-1815, MCA, is amended to read:

"33-22-1815. Qualifications for voluntary purchasing pool. A voluntary purchasing pool of disability insurance purchasers may be formed solely for the purpose of obtaining disability insurance upon compliance with the following provisions:

- (1) It contains at least ~~1,000~~ 51 eligible employees.
- (2) It establishes requirements for membership. The voluntary purchasing pool shall accept for membership any small employers and may accept for membership any employers with more than 50 eligible employees that otherwise meet the requirements for membership. However, the voluntary purchasing pool may not exclude any small employers that otherwise meet the requirements for membership on the basis of claim experience, occupation, or health status.
- (3) It holds an open enrollment period at least once a year during which new members can join the voluntary purchasing pool.
- (4) It offers coverage to eligible employees of member employers and to the employees' dependents. Coverage may not be limited to certain employees of member small employers except as provided in 33-22-1811(3)(c).
- (5) It does not assume any risk or form self-insurance plans among its members.

(6) (a) ~~It has the option of using the following types of rating arrangements with the disability insurance policies, certificates, or contracts:~~

~~—— (i) Disability insurance policies, certificates, or contracts offered through the voluntary purchasing pool that rate each member employer separately are subject to the provisions of this part.~~

~~—— (ii) Disability insurance policies, certificates, or contracts offered through the voluntary purchasing pool that must rate the entire group as a whole ~~must~~ and charge each insured person based on a community rate within the common group, adjusted for case characteristics as permitted by the laws governing large group disability insurance.~~

(b) At its discretion, premiums may be paid to the disability insurance policies, certificates, or contracts by the voluntary purchasing pool, by member employers, or by eligible employees and their dependents.

(7) A person marketing disability insurance policies, certificates, or contracts for a voluntary purchasing pool must be licensed as an insurance producer."

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