WEST VIRGINIA LEGISLATURE
FIRST REGULAR SESSION, 1993

ENROLLED
Committee Substitute for
HOUSE BILL No. 3181

(By Delegates Phillips, Gallagher, et al.)

Passed April 9, 1993

In Effect from Passage
AN ACT to amend and reenact section fourteen, article sixteen-a; section four, article twenty-four; section six, article twenty-five; and section twenty-four, article twenty-five-a, all of chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to advance notice by insurers to covered employees, members, spouses, children or dependents of conversion rights upon termination of the policy and the requirement that certain health care providers, insurers, health care corporations and other such agencies comply with the provisions of article sixteen-a regarding group health insurance conversion.

Be it enacted by the Legislature of West Virginia:

That section fourteen, article sixteen-a; section four, article twenty-four; section six, article twenty-five; and section twenty-four, article twenty-five-a, all of chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, all to read as follows:

ARTICLE 16A. GROUP HEALTH INSURANCE CONVERSION.

§33-16A-14. Benefit levels; election to provide group
coverage; notification of conversion privilege; policy delivered outside state.

(a) If the benefit levels required in section nine of this article exceed the benefit levels provided under the group policy, the conversion policy may offer benefits which are substantially similar to those provided under the group policy in lieu of those required in section nine.

(b) The insurer may elect to provide group insurance coverage in lieu of the issuance of a converted individual policy.

(c) The insurer, prior to terminating the policy for any reason, shall notify each employee or member, or such employee's or member's spouse, child or dependent entitled to the conversion privilege under this article, at least sixty days in advance of the termination, in writing, of the pending termination. The notice shall inform the employee or member of the conversion privilege provided in this article.

(d) A notification of the conversion privilege shall also be included in each certificate of coverage.

(e) A converted policy which is delivered outside this state must be on a form which could be delivered in such other jurisdiction as a converted policy had the group policy been issued in that jurisdiction.

ARTICLE 24. HOSPITAL SERVICE CORPORATIONS, MEDICAL SERVICE CORPORATIONS, DENTAL SERVICE CORPORATIONS AND HEALTH SERVICE CORPORATIONS.

§33-24-4. Exemptions; applicability of insurance laws.

Every corporation defined in section two of this article is hereby declared to be a scientific, nonprofit institution and exempt from the payment of all property and other taxes. Every corporation, to the same extent the provisions are applicable to insurers transacting similar kinds of insurance and not inconsistent with the provisions of this article, shall be governed by and be subject to the provisions as hereinbelow indicated, of the following articles of this chapter: Article two (insurance commissioner), except that, under section nine of said
article, examinations shall be conducted at least once
every four years; article four (general provisions), except
that section sixteen of said article shall not be applicable
thereto; article six, section thirty-four (fee for form and
rate filing); article six-c (guaranteed loss ratio); article
seven (assets and liabilities); article eleven (unfair trade
practices); article twelve (agents, brokers and solicitors),
except that the agent's license fee shall be five dollars;
section fourteen, article fifteen (individual accident and
sickness insurance); article fifteen-a (long-term care
insurance); section three, article sixteen (required policy
provisions); section three-a, article sixteen (mental
illness); section three-c, article sixteen (group accident
and sickness insurance); section three-d, article sixteen
(medicare supplement insurance); section three-f, article
sixteen (treatment of temporomandibular joint disorder
and craniomandibular disorder); article sixteen-a (group
health insurance conversion); article sixteen-c (small
employer group policies); article sixteen-d (marketing
and rate practices for small employers); article twenty-
six-a (West Virginia life and health insurance guaranty
association act), after the first day of October, one
thousand nine hundred ninety-one; article twenty-seven
(insurance holding company systems); article twenty-
eight (individual accident and sickness insurance
minimum standards); article thirty-three (annual
audited financial report); article thirty-four (administra-
tive supervision); article thirty-four-a (standards and
commissioner's authority for companies deemed to be in
hazardous financial condition); article thirty-five
(criminal sanctions for failure to report impairment);
and article thirty-seven (managing general agents); and
no other provision of this chapter may apply to these
corporations unless specifically made applicable by the
provisions of this article. If, however, the corporation is
converted into a corporation organized for a pecuniary
profit or if it transacts business without having obtained
a license as required by section five of this article, it
shall thereupon forfeit its right to these exemptions.

ARTICLE 25. HEALTH CARE CORPORATIONS.

§33-25-6. Supervision and regulation by insurance com-
missioner; exemption from insurance laws.

1. Corporations organized under this article are subject to supervision and regulation of the insurance commissioner. The corporations organized under this article, to the same extent these provisions are applicable to insurers transacting similar kinds of insurance and not inconsistent with the provisions of this article, shall be governed by and be subject to the provisions as hereinbelow indicated, of the following articles of this chapter: Article four (general provisions), except that section sixteen of said article shall not be applicable thereto; article six-c (guaranteed loss ratio); article seven (assets and liabilities); article eight (investments); article ten (rehabilitation and liquidation); section fourteen, article fifteen (individual accident and sickness insurance); section three, article sixteen (required policy provisions); article sixteen-a (group health insurance conversion); article sixteen-c (small employer group policies); article sixteen-d (marketing and rate practices for small employers); article twenty-six-a (West Virginia life and health insurance guaranty association act); article twenty-seven (insurance holding company systems); article thirty-three (annual audited financial report); article thirty-four-a (standards and commissioner's authority for companies deemed to be in hazardous financial condition); article thirty-five (criminal sanctions for failure to report impairment); and article thirty-seven (managing general agents); and no other provision of this chapter may apply to these corporations unless specifically made applicable by the provisions of this article.

ARTICLE 25A. HEALTH MAINTENANCE ORGANIZATION ACT.


1. (a) Except as otherwise provided in this article, provisions of the insurance laws and provisions of hospital or medical service corporation laws shall not be applicable to any health maintenance organization granted a certificate of authority under this article. This provision shall not apply to an insurer or hospital or
medical service corporation licensed and regulated pursuant to the insurance laws or the hospital or medical service corporation laws of this state except with respect to its health maintenance corporation activities authorized and regulated pursuant to this article.

(b) Factually accurate advertising or solicitation regarding the range of services provided, the premiums and copayments charged, the sites of services and hours of operation, and any other quantifiable, nonprofessional aspects of its operation by a health maintenance organization granted a certificate of authority, or its representative shall not be construed to violate any provision of law relating to solicitation or advertising by health professions: Provided, That nothing contained herein shall be construed as authorizing any solicitation or advertising which identifies or refers to any individual provider, or makes any qualitative judgment concerning any provider.

(c) Any health maintenance organization authorized under this article shall not be deemed to be practicing medicine and shall be exempt from the provision of chapter thirty of this code, relating to the practice of medicine.

(d) The provisions of section fifteen, article four (general provisions), article six-c (guaranteed loss ratio), article seven (assets and liabilities), article eight (investments), section fourteen, article fifteen (individual accident and sickness insurance), article fifteen-b (uniform health care administration act), section three-f, article sixteen (treatment of temporomandibular disorder and craniomandibular disorder), article sixteen-a (group health insurance conversion), article sixteen-c (small employer group policies), article sixteen-d (marketing and rate practices for small employers), article twenty-seven (insurance holding company systems), article thirty-four-a (standards and commissioner's authority for companies deemed to be in hazardous financial condition), article thirty-five (criminal sanctions for failure to report impairment) and article thirty-seven (managing general agents) shall
be applicable to any health maintenance organization granted a certificate of authority under this article.

(e) Any long-term care insurance policy delivered or issued for delivery in this state by a health maintenance organization shall comply with the provisions of article fifteen-a of this chapter.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

Takes effect from passage.

Clerk of the Senate

President of the Senate

Speaker of the House of Delegates

The within is approved this the 30th day of April, 1993.

Governor
PRESENTED TO THE
GOVERNOR
Date 4/23/93
11:23 AM