

2009 DRAFTING REQUEST

Assembly Amendment (AA-AB100)

Received: **04/14/2009**

Received By: **pkahler**

Wanted: **Today**

Identical to LRB:

For: **John Nygren (608) 266-2343**

By/Representing: **Matt**

This file may be shown to any legislator: **NO**

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - health**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Nygren@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Exemption for short-term policies

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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FE Sent For:

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FE Sent For:

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Kahler, Pam

From: Banaszynski, Matt
Sent: Tuesday, April 14, 2009 9:17 AM
To: Kahler, Pam
Subject: Amendment to AB 100

Pam,

Please draft the following two amendments to AB 100. If possible, could we get it before 10:15 so that it may be introduced in time to comply with the 24 hour rule? Please draft these as three separate amendments. Thanks for your help and assistance.

1. Section 5 of the bill, beginning on page 3, line 21, provides that an insurer shall renew individual health insurance coverage if the insured requests either (a) a modification of the benefits or deductible level, or both, under the individual plan being renewed or (b) provide coverage under a different but comparable plan offered by the insurer without subjecting any individual covered under the plan to additional underwriting.

With respect to proposed s. 632.7495 (1) (b) 2. a. — it is assumed that the creation of s. 631.36 (5) (b) 3. in Section 3 of the bill would at least allow an insurer to adjust premium to match the modified benefit and deductible levels requested by the insured under this provision.

DRAFT AMENDMENT TO: The provision should be modified to clarify that such request by the insured shall require the insurer to renew if the request is for “an individual major medical or comprehensive health benefit plan currently offered by the insurer with more limited benefits” or an “individual major medical or comprehensive health benefit plan currently offered by the insurer with higher deductibles”.

2. With respect to s. 632.7495 (1) (b) 2. b. — the provision requires an insurer to provide coverage under a different but comparable plan offered by the insurer, without subjecting the insured to additional underwriting. The term “comparable” is not defined and is therefore confusing and subject to different interpretation by the insurer and the insured.

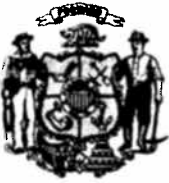
DRAFT AMENDMENT TO: The provision should be deleted.

3. **Preexisting Condition Exclusions:** Section 7 of the bill relates to preexisting condition exclusions and further restricts the length of time and the conditions under which an insurer may exclude certain coverage under an individual plan. While we do not necessarily object to this provision as it relates to a comprehensive individual plan, we recommend that it not apply to higher risk policies that are marketed for short-term coverage. The type of limitation prescribed in section 7 would have a material impact on the premium charged for short-term coverage plans and may make these plans price prohibitive and inaccessible for their intended purpose.

DRAFT AMENDMENT TO: Amend section 7 by adding an exemption for “An individual health benefit plan that is not renewable and that has a specified termination date that, including any extensions that the policyholder may elect without the insurer’s consent, is less than 12 months after the original effective date”.

Matt Banaszynski

Research Aide
Office of State Representative John Nygren
Eighty-Ninth Assembly District



State of Wisconsin
2009 - 2010 LEGISLATURE

a0204/1
LRBa0196/1
PJK/nwn
nwn &
lgf

ASSEMBLY AMENDMENT,
TO 2009 ASSEMBLY BILL 100

10:15

1 At the locations indicated, amend the bill as follows:

2 1. Page 4, line 13: delete "(ac) An" and substitute "(ac) 1. Except as provided
3 in subd. 2., an".

4 2. Page 4, line 16: after that line insert:

5 "2. Subdivision 1. does not apply to an individual ~~major medical health~~
6 ~~insurance policy~~ that is not renewable and that has a specified termination date that
7 is less than 12 months after the original effective date."

8 (END)

health benefit plan

, including any extensions that the policyholder may elect without the insurer's consent,