

Introduced by Senator Berryhill

February 27, 2015

An act to amend Section 10752.4 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 701, as amended, Berryhill. Stop-loss insurance coverage: attachment points.

Existing law prohibits a stop-loss insurance policy issued, reissued, or renewed on or after January 1, 2016, to a small employer from containing an aggregate attachment point for a policy year that is less than the greater of one of the following: \$5,000 multiplied by the total number of group members, 120% of expected claims, or \$40,000.

This bill would instead require that the \$5,000 per group member attachment point be changed to \$2,500 per *qualified* employee.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10752.4 of the Insurance Code is
- 2 amended to read:
- 3 10752.4. A stop-loss insurance policy issued, reissued, or
- 4 renewed on or after January 1, 2016, to a small employer shall not
- 5 contain any of the following provisions:
- 6 (a) An individual attachment point for a policy year that is less
- 7 than forty thousand dollars (\$40,000).

- 1 (b) An aggregate attachment point for a policy year that is less
- 2 than the greater of one of the following:
- 3 (1) Two thousand five hundred dollars (\$2,500) per *qualified*
- 4 employee.
- 5 (2) One hundred twenty percent of expected claims.
- 6 (3) Forty thousand dollars (\$40,000).
- 7 (c) A provision for direct coverage of an employee or dependent
- 8 of an employee.