ASSEMBLY BILL No. 745

Introduced by Assembly Member Coto

February 26, 2009

An act to add Section 1759.11 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 745, as introduced, Coto. Self-funded dental benefit plans: administrators.

Existing law provides for the regulation of insurers by the Department of Insurance. Existing law requires administrators who perform certain acts in connection with life or health insurance coverage or annuities to be registered with the Insurance Commissioner and to comply with certain other requirements.

This bill would require an administrator providing administrative services for a self-funded dental benefit plan to include certain language in explanation of benefits documents and in forms sent to claimants in response to claims for benefits.

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

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

SECTION 1. The Legislature finds and declares that third-party administrators of insurance are regulated by the Insurance Commissioner. Therefore, the requirements of this act constitute a regulation of insurance within the meaning of subparagraph (A)

of paragraph (2) of subdivision (b) of Section 1144 of Title 29 of the United States Code.

SEC. 2. Section 1759.11 is added to the Insurance Code, to read:

1759.11. (a) This section shall only apply to an administrator that provides administrative services for a self-funded dental benefit plan otherwise subject to the jurisdiction of the federal government.

(b) The administrator shall include the following language in explanation of benefits documents and in forms sent to claimants in response to claims for benefits:

> "This dental benefit plan is self-funded and subject to compliance with the federal Employee Retirement Income Security Act. As such, it is not subject to consumer protection provisions of state law governing health care coverage for dental care. Any questions, appeals, or disputes arising from the payment of a submitted claim should be directed to the entity providing the coverage, or to the United States Department of Labor, Office of Participant Assistance."

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