

House Bill 619

By: Representatives Harbin of the 80th and Maddox of the 59th, Post 2

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to
2 provide for the issuance of group accident and sickness insurance under a franchise group
3 plan; to provide for definitions; to provide for conversion, portability, and continuation; to
4 provide for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
8 striking subparagraphs (K) and (L) of paragraph (1) of subsection (a) of Code Section
9 33-24-21.1, relating to group accident and sickness contracts, and inserting in lieu thereof
10 new subparagraphs (K), (L), and (M) to read as follows:

11 "(K) A public health plan; ~~or~~
12 (L) A Peace Corps Act health benefit plan; ~~or~~
13 (M) A franchise group plan policy or certificate of coverage issued on an individual
14 basis to a member of a franchise association pursuant to the provisions of subsection
15 (c) of Code Section 33-30-1."

16 style="text-align:center">**SECTION 2.**

17 Said title is further amended by adding a new subsection (c) to Code Section 33-30-1,
18 relating to definitions of group accident and sickness insurance, to read as follows:

19 "(c)(1) As used in this subsection, the term:
20 (A) 'Franchise association' means an association that is made up of individual members
21 and that:
22 (i) Has been actively in existence for at least three years;
23 (ii) Has been formed and maintained in good faith for purposes other than obtaining
24 insurance;

1 (iii) Does not condition membership in the association on any health status related
2 factor relating to an individual member;

3 (iv) Allows any member of the association to apply for insurance offered through the
4 association with the understanding that the insurer makes the determination as to
5 acceptability for coverage based upon the insurer's underwriting criteria; and

6 (v) Does not make health insurance coverage offered through the association available
7 other than in connection with membership in the association.

8 (B) 'Franchise group plan' means a form of group accident and sickness insurance
9 whereby an insurer issues a master policy to a franchise association for the benefit of
10 individual members of such association.

11 (C) 'Individual member' means only an individual person and his or her dependents and
12 shall in no way be construed to include an employer and its employees or retired
13 employees.

14 (2) The insurer issuing a franchise group plan may, but shall not be required to,
15 individually underwrite each individual applicant who is a member of the franchise
16 association and who applies for coverage under the plan.

17 (3) The premium for such coverage shall be paid by the individual directly to the insurer.

18 (4) Coverage under the group franchise plan shall be deemed creditable coverage for the
19 purposes of the federal Health Insurance Portability and Accountability Act of 1996 and
20 for purposes relating to conversions under Code Section 33-24-21.1 and relating to
21 portability and continuation under Code Section 33-30-15.

22 (5) The insurer may issue individual policies to each member or may issue individual
23 certificates of coverage.

24 (6) The implementation of this subsection or the marketing, sale, or purchase of insurance
25 authorized under this subsection shall not be contingent upon the promulgation of rules
26 or regulations by the commissioner."

27 SECTION 3.

28 Said title is further amended by striking subparagraphs (K) and (L) of paragraph (2) of
29 subsection (a) of Code Section 33-30-15, relating to continuation of similar coverage, and
30 inserting in lieu thereof new subparagraphs (K), (L), and (M) to read as follows:

31 "(K) A public health plan; ~~or~~

32 (L) A Peace Corps Act health benefit plan; or

33 (M) A franchise group plan policy or certificate of coverage issued on an individual
34 basis to a member of a franchise association pursuant to the provisions of subsection
35 (c) of Code Section 33-30-1."

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SECTION 4.

2 All laws and parts of laws in conflict with this Act are repealed.