CHAPTER 154
SB 31 - FINAL VERSION

2023 SESSION

23-0823
05/04

SENATE BILL *31*

AN ACT relative to technical changes to the laws administered by the insurance department.

SPONSORS: Sen. Soucy, Dist 18; Rep. Potucek, Rock. 13

COMMITTEE: Commerce

ANALYSIS

This bill makes various technical changes to the insurance laws. The bill is a request of the insurance department.

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Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

CHAPTER 154
SB 31 - FINAL VERSION

23-0823
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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to technical changes to the laws administered by the insurance department.

Be it Enacted by the Senate and House of Representatives in General Court convened:

154:1 Third Party Administrators; Certificate of Authority Required. Amend RSA 402-H:11, II(c)(1) to read as follows:

(1) Audited financial statements or reports for the 2 most recent fiscal years that prove that the administrator has a positive net worth ***or post a bond or other collateral acceptable to the department***. If the administrator has been in existence for less than 2 fiscal years, the application shall include financial statements or reports, certified by an officer of the administrator and prepared in accordance with GAAP, for any completed fiscal years, and for any month during the current fiscal year for which such financial statements or reports have been completed. An audited financial/annual report prepared on a consolidated basis shall include a columnar consolidating or combining worksheet that shall be filed with the report and include the following:

(A) Amounts shown on the consolidated audited financial report shall be shown on the worksheet.

(B) Amounts for each entity shall be stated separately.

(C) Explanations of consolidating and eliminating entries shall be included.

154:2 Regulation of Forms and Rates for Property and Casualty Insurance. Amend RSA 412:6 to read as follows:

412:6 Prepayment of Judgment Prohibited. No [~~corporation or other~~] insurer shall issue or deliver any policy of insurance [~~against loss or expense by reason of claims made upon the insured for damages on account of bodily injuries suffered by an employee of the insured, or by any other person, or on account of damage to or the destruction of~~] ***in New Hampshire covering liability claims for bodily injury,*** property ***damage***, or wrongful acts [~~and economic damages~~], which shall contain any provision making [~~or purporting to make,~~] the pre-payment of any judgment [~~that may be recovered against~~] ***by*** the insured [~~upon any claim covered by the policy~~] a condition precedent to ***recovering under the policy or maintaining*** any right of action against the insurer upon [~~said~~] ***the*** policy[~~; but~~]***.*** Every such policy shall contain an agreement in clear and explicit terms binding the insurer, to the extent of the liability assumed by the policy, to pay and satisfy any such judgment, and to protect the insured against the levy of any execution issued upon the same.

154:3 Consumer Guaranty Contracts; Obligor Registration. Amend RSA 415-C:3 to read as follows:

415-C:3 Obligor Registration.

I. No obligor shall offer, administer, sell, solicit, negotiate, or act under a consumer guaranty contract in this state unless[~~:~~

~~(a)~~] the obligor registers with the commissioner on a form prescribed by the commissioner and pays the registration fee required by RSA 400-A:29, VIII-a(a)[~~; or~~

~~(b) The obligor is authorized as an insurer in this state to issue specified lines of consumer guaranty contracts, in which case the insurer is exempt from paragraphs II and III of this section and RSA 415-C:4~~].

II. An obligor's registration shall include the following:

(a) A certified copy of the obligor's charter and bylaws.

(b) A certificate giving a full statement, under oath of the obligor's president and secretary, that the fiscal requirements stated in this chapter are met.

(c) Other information in relation to the obligor's condition as may be required by the commissioner.

III. Every obligor registration made pursuant to this chapter shall expire on the next June 14 following such registration unless renewed prior to that date. Renewal shall be made by paying an annual renewal fee pursuant to RSA 400-A:29, VIII-a(b) and supplementing the original form for any material change to the registration.

IV. [~~An obligor's employee is exempt from the registration provisions stated in this section if the obligor is authorized to do business in this state.~~] ***Admitted insurers and unadmitted surplus lines insurers that are approved under RSA 405:24 that register as obligors are exempt from paragraph II of this section and RSA 415-C:4.***

154:4 Managed Care Law; Grievance Procedures. Amend RSA 420-J:5, V(b) to read as follows:

(b) A carrier or other licensed entity that offers group health plans, employee benefit plans, or disability plans shall file annually with the commissioner, as part of its annual report required by RSA 420-J:5, V[~~(g)~~] ***(f)***, a certificate of compliance stating that the carrier or other licensed entity has established and maintained, for each of its health benefit plans, grievance procedures that fully comply with the provisions of this chapter. Material modifications to the procedure shall be filed with the commissioner prior to becoming effective.

154:5 Federal Health Care Reform; Purpose and Scope. Amend RSA 420-N:1 to read as follows:

420-N:1 Purpose and Scope. The intent of this chapter is to preserve the state's status as the primary regulator of the business of insurance within New Hampshire and the constitutional integrity and sovereignty of the state of New Hampshire under the Tenth Amendment to the United States Constitution and part I, article 7 of the New Hampshire constitution and the insurance commissioner's administration of the insurance reforms required under the Patient Protection and Affordable Care Act of 2009, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152, including any ***amendments thereto, and related provisions of the Public Health Service Act (42 U.S.C. section 300gg et seq.)***, federal regulations, interpretations, standards, or guidance issued thereunder (hereinafter "the Act").

154:6 Federal Health Care Reform 2010; Definition of Act. Amend RSA 420-N:2, I to read as follows:

I. "Act" means the Patient Protection and Affordable Care Act of 2009, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152, including

any *amendments thereto, and related provisions of the Public Health Service Act (42 U.S.C. section 300gg et seq.)*, federal regulations, interpretations, standards, or guidance issued thereunder.

154:7 Effective Date. This act shall take effect 60 days after its passage.

Approved: July 28, 2023
Effective Date: September 26, 2023