



# 2021 Group Benefits Employer Markets Legislative Notice

## Employee Version

**Note:** The purpose of this Notice is to provide an overview of new laws primarily passed in 2021 that may impact your insurance policy. These laws may apply to the extent that your policy has the applicable provisions in the contract.

**DISCLAIMER: The Hartford provides this Notice for informational purposes only. This Notice includes information that may impact policies issued by The Hartford, but does not constitute legal advice. You should continue to consult your employer's legal and HR resources for guidance on the application of the law(s) cited in this Notice.**

### Policy Provisions

**State and Title: CA Assembly Bill 1511**

**Effective Date: January 1, 2022**

**Summary:** California updated the insurance code pertaining to advanced payment of death benefits under a life insurance policy which adds a terminal illness as an allowable option for advanced payment of death proceeds.

**State and Title: IL House Bill 1876**

**Effective Date: January 1, 2022**

**Summary:** Illinois updated the insurance code which requires a group life insurance policy to contain, if replacing another group life insurance policy in force with another insurance carrier immediately prior to the effective date of the new policy, a provision preventing loss of coverage, subject to premium payments, for those active employees who are not actively at work on the effective date of the new policy, if the following conditions are met:

- (1) the active employee was insured under the prior carrier's group life insurance policy immediately prior to the effective date of the policy.
- (2) the active employee is not actively at work on the effective date of the new policy.
- (3) the active employee is a member of an eligible class under the policy; and

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(4) the active employee is not receiving or eligible to receive benefits under the prior carrier's group life insurance policy.

**State and Title: NM House Bill 235**

**Effective Date: July 1, 2021**

**Summary:** New Mexico updated the insurance code to change the dependent age coverage requirement for certain group health policies or certificates from the dependent's twenty-fifth (25) birthday to the dependent's twenty-sixth (26) birthday.

**State and Title: CA Insurance Department Notice**

**Effective Date: October 25, 2021**

**Summary:** California issued a bulletin to advise that based on a recent CA Supreme Court decision (McHugh v. Protective Life Insurance Co.) . the insurance code sections pertaining to 60-day grace periods for group and individual life insurance and notice to individual insureds on the option to designate a third party to receive cancellation notices, apply to all California policies regardless of when issued.

**Disclosures/Notices:**

**State and Title: MS Ins. s 19-3-4.01**

**Effective Date: January 1, 2021**

**Summary:** Mississippi updated the insurance regulation for certain accident and sickness policies to state that benefit changes shall not be implemented by an insurance company unless written notice is provided to the policyholder at least 75 days prior to the effective date of the benefit change.

**State and Title: UT House Bill 54**

**Effective Date: May 5, 2021**

**Summary:** Utah updated the insurance code which changes the renewal notification timing requirements that an insurer sends to a policyholder or employer/producer.

**Guaranty Association Notices:**



The purpose of the Life and Health Insurance Guaranty Associations is to provide certain insureds with a limited benefit in the event the insurance company becomes insolvent and can no longer pay claims. Each state provides coverage according to its Life and Health Insurance Guaranty Association laws for certain certificate holders under a group insurance policy. All insurance companies (with limited exceptions) licensed to write life and health insurance or annuities in these states are required, as a condition of doing business in the state, to be members of the Guaranty Association. The Hartford is required by law to provide or make available the Guaranty Association Notice as a means of informing policyholders of the existence and purpose of the Guaranty Association. The following states have made changes to their Guaranty Association coverage limits:

**State and Title: AR Notice regarding Revised Guaranty Association Notice**

**Effective Date: January 29, 2021**

**Summary:** The Arkansas Department of Insurance notified carriers of changes to the Guaranty Notice which revises the limitations and exclusions under the AR Life and Health Insurance Guaranty Association Act.

**State and Title: IA Notice regarding Revised Guaranty Association Notice**

**Effective Date: October 26, 2021**

**Summary:** The Iowa Department of Insurance (DOI) notified carriers of changes to the Guaranty Notice which includes updates to the Insurance Code that took effect on March 29, 2019.

**State and Title: MD Notice regarding Revised Guaranty Association Notice**

**Effective Date: November 1, 2021**

**Summary:** The Maryland Insurance Administration notified carriers of changes to the Guaranty Notice which expands coverage to include Health Maintenance Organizations (HMOs) and health benefit plans.

**State and Title: ND Notice regarding Revised Guaranty Association Notice**

**Effective Date: April 1, 2021**

**Summary:** The North Dakota Department of Insurance notified carriers of changes to the Guaranty Notice which expands coverage to include Health Maintenance Organizations (HMOs) and health benefit plans.