

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7647**

**BILL NUMBER: HB 1372**

**DATE PREPARED:** Apr 7, 1999

**BILL AMENDED:** Apr 5, 1999

**SUBJECT:** Group Health Insurance and Preexisting Conditions.

**FISCAL ANALYST:** Alan Gossard

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**FUNDS AFFECTED:**     **GENERAL**  
                          **DEDICATED**  
                          **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill distinguishes between preexisting exclusions and limitations and waivers and riders in association group accident and sickness insurance policies. The bill provides conditions under which a waiver or rider to an association group accident and sickness insurance policy may continue for an indefinite time period. It also allows preexisting condition exclusions and limitations to be part of certain group policies of accident and sickness and insurance for a fixed time period with respect to a disability that existed as of the effective date of the policy.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) If the additional latitude allowed insurance companies in including preexisting condition exclusions and limitations in their group insurance policies were to result in reduced premiums, local governments and school corporations might face reduced costs in the provision of health benefits to employees. However, the effect on costs would be minimal.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Local Governments and School Corporations

**Information Sources:**