

Insurance Bulletin #201

Transitional Guidance for Health Benefit Associations

Pursuant to House Bill No. 16 of the 2018 Special Session ("H.16"), the department issues the following bulletin to provide guidance to the regulated community regarding H.16's implementation.

- 1) The board of any "health benefit association," as defined in 24 V.S.A. § 4947(a)(1) (as amended by H.16), must be composed by October 1, 2018 in the manner set forth in § 4947(d) as amended, notwithstanding any rule, bulletin, bylaw, or other similar document to the contrary;
- 2) Any existing health benefit association shall amend its bylaws, articles, plans, membership agreements, and other similar documents to comply with H.16, notwithstanding any rule, bulletin, or similar document to the contrary;
- 3) Any new health benefit association shall draft its bylaws, articles, plans, membership agreements, and other similar documents to comply with H.16, notwithstanding any rule, bulletin, or similar document to the contrary;
- 4) To the extent any bylaws, articles, plans, membership agreements, and other similar documents are contrary to the provisions of H.16 as enacted, those bylaws, articles, plans or other similar documents are superseded by operation of law by the provisions of the amended statute on the date those provisions become effective;
- 5) Health benefit associations shall work with the department during the transition period to receive the necessary approvals for changes to their bylaws, articles, plans, membership agreements, and other similar documents to comply with H.16;
- 6) Biographical affidavits for board members joining a health benefit association to comply with H.16 shall be submitted to the department by September 15, 2018; and
- 7) The department anticipates engaging in rulemaking later this summer to formally amend Regulation I-90 to make it consistent with H.16.

Dated at Montpelier, Vermont this 9th day of July 2018.



Michael S. Pieciak, Commissioner
Department of Financial Regulation

