§ 1357.04. Notification of premium charges; When coverage becomes effective; Option to change coverage

(a) After a small employer submits a completed application form for a plan contract, the plan shall, within 30 days, notify the employer of the employer's actual premium charges for that plan contract established in accordance with Section 1357.12. The employer shall have 30 days in which to exercise the right to buy coverage at the quoted premium charges.

(b) When a small employer submits a premium payment, based on the quoted premium charges, and that payment is delivered or postmarked, whichever occurs earlier, within the first 15 days of the month, coverage under the plan contract shall become effective no later than the first day of the following month. When that payment is neither delivered nor postmarked until after the 15th day of a month, coverage shall become effective no later than the first day of the second month following delivery or postmark of the payment.

(c) During the first 30 days after the effective date of the plan contract, the

small employer shall have the option of changing coverage to a different plan contract offered by the same health care service plan. If a small employer notifies the plan of the change within the first 15 days of a month, coverage under the new plan contract shall become effective no later than the first day of the following month. If a small employer notifies the plan of the change after the 15th day of a month, coverage under the new plan contract shall become effective no later than the first day of the second month following notification.

HISTORY:
Added Stats 1992 ch 1128 § 5 (AB 1672), operative July 1, 1993. Amended Stats 1993 ch 113 § 2.5 (AB 1742), effective July 12, 1993.

§ 1357.05. Exclusion of employee or dependent; Limitation on exclusion of coverage

Except in the case of a late enrollee, or for satisfaction of a preexisting condition clause in the case of initial coverage of an eligible employee, a plan may not exclude any eligible employee or dependent who would otherwise be entitled to health care services on the basis of an actual or expected health condition of that employee or dependent. No plan contract may limit or exclude coverage for a specific eligible employee or dependent by type of illness, treatment, medical condition, or accident, except for preexisting conditions as permitted by Section 1357.06.

HISTORY:
Added Stats 1992 ch 1128 § 5 (AB 1672), operative July 1, 1993. Amended Stats 1995 ch 668 § 2 (AB 503), effective January 1, 1996.