

Alaska State Legislature

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**Session:**

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Sponsor Statement CSHB 10 (HESS)

“An Act relating to pooling by employers and self-employed individuals for the purposes of group health insurance; and providing for an effective date.”

In this legislation, small and large employers and self-employed individuals are allowed to form an association for the purpose of obtaining health insurance. Under [HB 10](#), an insurer may offer a policy to an association of employers covering the employees and dependents of the employees, or to an association of self-employed individuals covering self-employed individuals and dependents of the self-employed individuals, or to an association that includes a combination of employers and self-employed individuals.

A self-employed individual is defined as an individual who derives a substantial portion of the individual’s income from a trade or business through which the individual has attempted to earn taxable income and for which the individual has filed the appropriate Internal Revenue Service form and schedule for the previous year.

An association would be required to establish a constitution and bylaws. The association must be maintained for the benefit of persons other than the association or its officers or trustees. Membership in the association is restricted to large or small employers, or self-employed individuals, who are residents of the state. An employer, however, may reside in another state and may obtain coverage through an association for the employees and dependents of the employees of that employer who are residents of this state.

The association may not condition membership in the association or coverage under a health insurance policy issued to the association. An exception is provided for a self-employed individual where a health care insurer may decline to cover or may restrict coverage offered to that individual under the association plan.

An intent section has been added to the bill to clarify that non-profits are included in those covered by this bill. Specifically, large and small non-profit employers and non-profit self-employed individuals would be allowed to form an association for group health insurance purposes.