

SB204 INTRODUCED



1 SB204
2 NRRF5TT-1
3 By Senator Shelnett
4 RFD: Banking and Insurance
5 First Read: 27-Feb-25



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SYNOPSIS:

Under current practice, an insurance policy covering dental care may limit the available maximum dollar amount of benefits for use to the year that the policy is in effect.

This bill would require insurers that provide dental coverage in the State of Alabama to allow covered beneficiaries to roll over unused benefits into subsequent years, within certain conditions.

A BILL
TO BE ENTITLED
AN ACT

Relating to dental insurance; to require contracts for dental care coverage to provide that a beneficiary may carry over an unused amount of available benefits into the succeeding year; to set conditions on the right to carry over available benefits; and to amend Sections 10A-20-6.16 and 27-21A-23, Code of Alabama 1975, to make conforming changes.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) For the purposes of this section, the



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29 following terms have the following meanings:

30 (1) ANNUAL BENEFIT MAXIMUM. The total dollar amount of
31 dental care services benefits available to an individual
32 enrolled as a beneficiary under a dental benefit plan or
33 health benefit plan for a year.

34 (2) DENTAL BENEFIT PLAN. Any stand-alone individual or
35 group plan, policy, or contract issued, delivered, or renewed
36 in this state which is limited to paying or reimbursing the
37 costs of dental care services.

38 (3) DENTAL CARE SERVICES. Any services furnished to a
39 beneficiary for the purpose of preventing, managing,
40 alleviating, curing, or healing dental illness, disease, or
41 injury.

42 (4) HEALTH BENEFIT PLAN. a. Any individual or group
43 plan, policy, or contract issued, delivered, or renewed in
44 this state which, in addition to paying or reimbursing for
45 hospitalization, physician care, treatment, surgery, therapy,
46 drugs, equipment, and other medical expenses, also includes
47 coverage for some dental care services.

48 b. The term does not include accident-only, specified
49 disease, individual hospital indemnity, credit, Medicare
50 supplement, long-term care, disability income, or other
51 limited benefit health insurance policies, or coverage issued
52 as supplemental to liability insurance, workers' compensation,
53 or automobile medical payment insurance.

54 (5) INSURER. A person as defined in Section 27-1-2,
55 Code of Alabama 1975, that issues, delivers, or renews a
56 dental benefit plan or a health benefit plan.



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57 (6) UNSPENT ANNUAL BENEFIT MAXIMUM DOLLARS. The portion
58 of an annual benefit maximum that was not paid out or
59 reimbursed on claims for a beneficiary during a year.

60 (7) YEAR. A calendar year or other 12-month period that
61 a dental benefit plan or health care plan is in effect.

62 (b) On or after January 1, 2026, any insurer that
63 issues, delivers, or renews a dental benefit plan or a health
64 benefit plan shall include a provision that allows a
65 beneficiary to carry over the amount of unspent annual benefit
66 maximum dollars into the succeeding year for payment or
67 reimbursement of dental care services.

68 (c) The unspent annual benefit maximum dollars carried
69 over shall be added to the annual benefit maximum for the
70 succeeding year as limited by subdivision (e) (2).

71 (d) Claims incurred during the current year but not
72 paid until the succeeding year shall be subtracted from the
73 current year annual benefit maximum.

74 (e) (1) An insurer may in its discretion prescribe
75 terms, limitations, and conditions governing the exercise by
76 the beneficiary of the contractual provision required under
77 subsection (b), but shall require the limitation described in
78 subdivision (2).

79 (2) The aggregate dollar amount that may be accumulated
80 by a covered individual to carry over is limited to two times
81 the annual benefit maximum that is in effect for the preceding
82 year.

83 (f) The Department of Insurance of the State of Alabama
84 may adopt rules necessary to implement this section.



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85 Section 2. Sections 10A-20-6.16 and 27-21A-23, Code of
86 Alabama 1975, are amended to read as follows:

87 "§10A-20-6.16

88 (a) No statute of this state applying to insurance
89 companies shall be applicable to any corporation organized
90 under this article and amendments thereto or to any contract
91 made by the corporation; except the corporation shall be
92 subject to the following:

93 (1) The provisions regarding annual premium tax to be
94 paid by insurers on insurance premiums.

95 (2) Chapter 55 of Title 27.

96 (3) Article 2 and Article 3 of Chapter 19 of Title 27.

97 (4) Section 27-1-17.

98 (5) Chapter 56 of Title 27.

99 (6) Rules adopted by the Commissioner of Insurance
100 pursuant to Sections 27-7-43 and 27-7-44.

101 (7) Chapter 54 of Title 27.

102 (8) Chapter 57 of Title 27.

103 (9) Chapter 58 of Title 27.

104 (10) Chapter 59 of Title 27.

105 (11) Chapter 54A of Title 27.

106 (12) Chapter 12A of Title 27.

107 (13) Chapter 2B of Title 27.

108 (14) Chapter 29 of Title 27.

109 (15) Chapter 62 of Title 27.

110 (16) Chapter 63 of Title 27.

111 (17) Chapter 45A of Title 27.

112 (18) Section 1 of the act amending this section.



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113 (b) The provisions in subsection (a) that require
114 specific types of coverage to be offered or provided shall not
115 apply when the corporation is administering a self-funded
116 benefit plan or similar plan, fund, or program that it does
117 not insure."

118 "§27-21A-23

119 (a) Except as otherwise provided in this chapter,
120 provisions of the insurance law and provisions of health care
121 service plan laws shall not be applicable to any health
122 maintenance organization granted a certificate of authority
123 under this chapter. This provision shall not apply to an
124 insurer or health care service plan licensed and regulated
125 pursuant to the insurance law or the health care service plan
126 laws of this state except with respect to its health
127 maintenance organization activities authorized and regulated
128 pursuant to this chapter.

129 (b) Solicitation of enrollees by a health maintenance
130 organization granted a certificate of authority shall not be
131 construed to violate any provision of law relating to
132 solicitation or advertising by health professionals.

133 (c) Any health maintenance organization authorized
134 under this chapter shall not be deemed to be practicing
135 medicine and shall be exempt from the provisions of Section
136 34-24-310, et seq., relating to the practice of medicine.

137 (d) No person participating in the arrangements of a
138 health maintenance organization other than the actual provider
139 of health care services or supplies directly to enrollees and
140 their families shall be liable for negligence, misfeasance,



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141 nonfeasance, or malpractice in connection with the furnishing
142 of such services and supplies.

143 (e) Nothing in this chapter shall be construed in any
144 way to repeal or conflict with any provision of the
145 certificate of need law.

146 (f) Notwithstanding the provisions of subsection (a), a
147 health maintenance organization shall be subject to all of the
148 following:

149 (1) Section 27-1-17.

150 (2) Chapter 56.

151 (3) Chapter 54.

152 (4) Chapter 57.

153 (5) Chapter 58.

154 (6) Chapter 59.

155 (7) Rules adopted by the Commissioner of Insurance
156 pursuant to Sections 27-7-43 and 27-7-44.

157 (8) Chapter 12A.

158 (9) Chapter 54A.

159 (10) Chapter 2B.

160 (11) Chapter 29.

161 (12) Chapter 62.

162 (13) Chapter 63.

163 (14) Chapter 45A

164 (15) Section 1 of the act amending this section."

165 Section 3. This act shall become effective on October
166 1, 2025.