62E.19 PAYMENTS FOR PREEXISTING CONDITIONS.

Subdivision 1. **Employer liability.** An employer is liable to the association for the costs of any preexisting conditions of the employer's former employees or their dependents during the first six months of coverage under the state comprehensive health insurance plan under the following conditions:

(1)(i) the employer has terminated or laid off employees and is required to meet the notice requirements under section 116L.976, subdivision 2;

(ii) the employer has failed to provide, arrange for, or make available continuation health insurance coverage required to be provided under federal or state law to employees or their dependents; and

(iii) the employer's former employees or their dependents enroll in the state comprehensive health insurance plan with a waiver of the preexisting condition limitation under section 62E.14, subdivision 4a or 5; or

(2)(i) the employer has terminated or allowed the employer's plan of health insurance coverage to lapse within 90 days prior to the date of termination or layoff of an employee; and

(ii) the employer's former employees or their dependents enroll in the state comprehensive health insurance plan with a waiver of the preexisting condition limitation under section 62E.14, subdivision 4a or 5.

The employer shall pay a special assessment to the association for the costs of the preexisting conditions. The special assessment may be assessed before the association makes the annual determination of each contributing member's liability as required under this chapter. The association may enforce the obligation to pay the special assessment by action, as a claim in an insolvency proceeding, or by any other method not prohibited by law.

If the association makes the special assessment permitted by this subdivision, the association may also make any assessment of contributing members otherwise permitted by law, without regard to the special assessment permitted by this subdivision. Contributing members must pay the assessment, subject to refund or adjustment in the event of receipt by the association of any portion of the special assessment.

Subd. 2. **Exemption.** Subdivision 1 does not apply to a termination of or failure to implement an employee health benefit plan which results from or occurs during a strike or lockout, nor does it apply to employee health benefit plans separately provided by an employee organization or bargaining agent, regardless of any financial contribution to the plan by the employer.

History: *1990 c 523 s 7; 1991 c 199 art 1 s 11; 1994 c 485 s 35; 2004 c 206 s 52*