

119TH CONGRESS
1ST SESSION

H. R. 2571

To amend the Employee Retirement Income Security Act of 1974 to exclude from the definition of health insurance coverage certain medical stop-loss insurance obtained by certain plan sponsors of group health plans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 2025

Mr. ONDER introduced the following bill; which was referred to the Committee on Education and Workforce

A BILL

To amend the Employee Retirement Income Security Act of 1974 to exclude from the definition of health insurance coverage certain medical stop-loss insurance obtained by certain plan sponsors of group health plans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Self-Insurance Protec-
5 tion Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Small and large employers offer health ben-
2 efit plan coverage to employees in self-funded ar-
3 rangements using company assets or a fund, or by
4 paying premiums to purchase fully-insured coverage
5 from a health insurance company.

6 (2) Employers that self-fund health benefit
7 plans will often purchase stop-loss insurance as a fi-
8 nancial risk management tool to protect against ex-
9 cess or unexpected catastrophic health plan claims
10 losses that arise above projected costs paid out of
11 company assets.

12 (3) Stop-loss coverage insures the employer
13 sponsoring the health benefit plan against unfore-
14 seen health plan claims, does not insure the em-
15 ployee health benefit plan itself, and does not pay
16 health care providers for medical services provided to
17 the employees.

18 (4) Employer-sponsored health benefit plans are
19 regulated under the Employee Retirement Income
20 Security Act of 1974, however, States regulate the
21 availability and the coverage terms of stop-loss in-
22 surance coverage that employers purchase to protect
23 company assets and to protect a fund against excess
24 or unexpected claims losses.

1 (5) Both large and small employers that choose
 2 to self-fund must also be able to protect company as-
 3 sets or a fund against excess or unexpected claims
 4 losses and States must reasonably regulate stop-loss
 5 insurance to assure its availability to both large and
 6 small employers.

7 **SEC. 3. CERTAIN MEDICAL STOP-LOSS INSURANCE OB-**
 8 **TAINED BY CERTAIN PLAN SPONSORS OF**
 9 **GROUP HEALTH PLANS NOT INCLUDED**
 10 **UNDER THE DEFINITION OF HEALTH INSUR-**
 11 **ANCE COVERAGE.**

12 Section 733(b)(1) of the Employee Retirement In-
 13 come Security Act of 1974 (29 U.S.C. 1191b(b)(1)) is
 14 amended by adding at the end the following sentence:
 15 “Such term shall not include a stop-loss policy obtained
 16 by a self-insured group health plan or a plan sponsor of
 17 a group health plan that self-insures the health risks of
 18 its plan participants to reimburse the plan or sponsor for
 19 losses that the plan or sponsor incurs in providing health
 20 or medical benefits to such plan participants in excess of
 21 a predetermined level set forth in the stop-loss policy ob-
 22 tained by such plan or sponsor.”.

1 **SEC. 4. EFFECT ON OTHER LAWS.**

2 Section 514(b) of the Employee Retirement Income
3 Security Act of 1974 (29 U.S.C. 1144(b)) is amended by
4 adding at the end the following:

5 “(10) The provisions of this title (including part 7
6 relating to group health plans) shall preempt State laws
7 insofar as they may now or hereafter prevent an employee
8 benefit plan that is a group health plan from insuring
9 against the risk of excess or unexpected health plan claims
10 losses.”.

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