
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 25

Session of
2007

INTRODUCED BY MUSTO, COSTA, WASHINGTON, A. WILLIAMS, GREENLEAF,
FONTANA, WOZNIAK, KITCHEN, LAVALLE, MELLOW, LOGAN, BOSCOLA,
O'PAKE, STACK, KASUNIC, DINNIMAN AND HUGHES, JANUARY 29, 2007

REFERRED TO BANKING AND INSURANCE, JANUARY 29, 2007

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
2 act relating to insurance; amending, revising, and
3 consolidating the law providing for the incorporation of
4 insurance companies, and the regulation, supervision, and
5 protection of home and foreign insurance companies, Lloyds
6 associations, reciprocal and inter-insurance exchanges, and
7 fire insurance rating bureaus, and the regulation and
8 supervision of insurance carried by such companies,
9 associations, and exchanges, including insurance carried by
10 the State Workmen's Insurance Fund; providing penalties; and
11 repealing existing laws," further providing, in health care
12 insurance individual accessibility, for definitions and for
13 benefits.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. Sections 1002-A and 1006-A of the act of May 17,
17 1921 (P.L.682, No.284), known as The Insurance Company Law of
18 1921, added November 4, 1997 (P.L.492, No.51), are amended to
19 read:

20 Section 1002-A. Definitions.--(a) As used in this article,
21 the following words and phrases shall have the meanings given to
22 them in this section unless the context clearly indicates
23 otherwise:

1 "Commissioner." The Insurance Commissioner of the
2 Commonwealth.

3 "Department." The Insurance Department of the Commonwealth.

4 "Designated insurers." An insurer required to offer health
5 coverage to eligible individuals under section 1003-A.

6 "Eligible individual." A resident of this Commonwealth who
7 meets the definition in section 2741(b) of the Federal Health
8 Insurance Portability and Accountability Act of 1996 (Public Law
9 104-191, 110 Stat. 1936).

10 "Federal act." The Federal Health Insurance Portability and
11 Accountability Act of 1996 (Public Law 104-191, 110 Stat. 1936).

12 "Fraternal benefit society." An entity holding a current
13 certificate of authority in this Commonwealth under the act of
14 December 14, 1992 (P.L.835, No.134), known as the "Fraternal
15 Benefit Societies Code."

16 "Full-time student." An individual who is:

17 (1) matriculated at an institution of higher education in
18 this Commonwealth; and

19 (2) carrying at least twelve (12) credit hours per semester,
20 or the equivalent for an institution which does not use
21 semesters.

22 "Health maintenance organization" or "HMO." An entity
23 holding a current certificate of authority under the act of
24 December 29, 1972 (P.L.1701, No.364), known as the "Health
25 Maintenance Organization Act."

26 "Hospital plan corporation." An entity holding a current
27 certificate of authority organized and operated under 40 Pa.C.S.
28 Ch. 61 (relating to hospital plan corporations).

29 "Insurer." A foreign or domestic insurance company,
30 association or exchange, health maintenance organization,

1 hospital plan corporation, professional health services plan
2 corporation, fraternal benefit society or risk-assuming
3 preferred provider organization. The term does not include a
4 group health plan as defined in section 2791 of the Federal
5 Health Insurance Portability and Accountability Act of 1996
6 (Public Law 104-191, 110 Stat. 1936).

7 "Medical loss ratio." The ratio of incurred medical claim
8 costs to earned premiums.

9 "Preferred provider organization" or "PPO." An entity
10 holding a current certificate of authority organized and
11 operated under section 630 of this act.

12 "Professional health services plan corporation." An entity
13 holding a current certificate of authority organized and
14 operated under 40 Pa.C.S. Ch. 63 (relating to professional
15 health services plan corporations). The term does not include
16 dental service corporations or optometric service corporations
17 as defined under 40 Pa.C.S. § 6302(a) (relating to definitions).

18 (b) The words, terms and definitions found in the Federal
19 Health Insurance Portability and Accountability Act of 1996
20 (Public Law 104-191, 110 Stat. 1936), including, but not limited
21 to, those definitions in section 2791 of that act, are hereby
22 adopted for purposes of implementing this article unless
23 otherwise provided by this article. The term "health insurance
24 issuer" found in section 2791(b)(2) of the Federal Health
25 Insurance Portability and Accountability Act of 1996 (Public Law
26 104-191, 110 Stat. 1936) shall have the same meaning as
27 "insurer" in subsection (a).

28 Section 1006-A. [Coordination of] Benefits.--(a) Benefits
29 provided under individual policies by an insurer may be subject
30 to coordination of benefits with any other group policy,

1 individual policy, Federal or State government program, labor-
2 management trustee plan, union welfare plan, employer
3 organization plan or employee benefit organization plan except
4 as otherwise provided by law.

5 (b) An insurer that issues health care insurance shall offer
6 extended coverage for each child of an insured who:

7 (1) is under thirty (30) years of age;

8 (2) is not married;

9 (3) has no dependents;

10 (4) is a resident of this Commonwealth or is enrolled as a
11 full-time student at an institution of higher education in this
12 Commonwealth; and

13 (5) is not covered by another health insurance policy.

14 Section 2. The amendment of section 1006-A of the act shall
15 apply to policies offered for issuance or renewal on or after
16 the effective date of this section.

17 Section 3. This act shall take effect in 60 days.