

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1096 Session of 2011

INTRODUCED BY LONGIETTI, CALTAGIRONE, CARROLL, COHEN, D. COSTA, DALEY, DeLUCA, DONATUCCI, GEORGE, GIBBONS, HALUSKA, HARKINS, HORNAMAN, JOSEPHS, MURT, PETRARCA, SABATINA, SWANGER AND WHITE, MARCH 17, 2011

REFERRED TO COMMITTEE ON INSURANCE, MARCH 17, 2011

AN ACT

1 Amending the act of December 15, 1982 (P.L.1291, No.292),  
2 entitled "An act to provide for the reasonable  
3 standardization and minimum loss ratios of coverage and  
4 simplification of terms and benefits of group medicare  
5 supplement accident and health insurance policies or group  
6 subscriber contracts of health plan corporations and  
7 nonprofit health service plans; to facilitate public  
8 understanding and comparison of such policies; to eliminate  
9 provisions contained in such policies which may be misleading  
10 or confusing in connection with the purchase thereof or with  
11 the settlement of claims; and to provide for full disclosure  
12 in the sale of such coverages to persons eligible for  
13 medicare by reason of age," providing for the return of  
14 premium funds under certain circumstances.

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

17 Section 1. Section 8 of the act of December 15, 1982  
18 (P.L.1291, No.292), known as the Medicare Supplement Insurance  
19 Act, is amended to read:

20 Section 8. Requirements for replacement.

21 (a) Application or enrollment forms shall include a question  
22 designed to elicit information as to whether a certificate to be  
23 issued under a medicare supplement policy is intended to replace

1 any other accident and health insurance presently in force. A  
2 supplementary application or other form to be signed by the  
3 applicant containing such a question may be used.

4 (b) Upon determining that a sale will involve replacement,  
5 an insurer, other than a direct response insurer, or its agent,  
6 shall furnish the applicant, prior to issuance or delivery of  
7 the certificate, a notice designed to inform the applicant of  
8 the essential differences in coverage on a form consistent with  
9 the then current model notification form adopted by the National  
10 Association of Insurance Commissioners. One copy of such notice  
11 shall be retained by the applicant and an additional copy signed  
12 by the applicant shall be retained by the insurer. A direct  
13 response insurer shall deliver the notice to the applicant upon  
14 issuance of the certificate.

15 (c) An insurer shall refund the balance of any premium paid  
16 under a Medicare supplement policy upon receipt of proof from  
17 the insured that other insurance coverage was obtained.

18 Section 2. This act shall take effect immediately.