

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1371 Session of  
2006

INTRODUCED BY MUSTO, BOSCOLA, FONTANA, COSTA, C. WILLIAMS,  
WOZNIAK, FERLO, LEMMOND, KITCHEN, A. WILLIAMS, O'PAKE, LOGAN,  
LAVALLE, MELLOW, CONTI, WASHINGTON AND GREENLEAF,  
OCTOBER 17, 2006

REFERRED TO BANKING AND INSURANCE, OCTOBER 17, 2006

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

1 otherwise:

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

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

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

7 "Eligible individual." A resident of this Commonwealth who  
8 meets the definition in section 2741(b) of the Federal Health  
9 Insurance Portability and Accountability Act of 1996 (Public Law  
10 104-191, 110 Stat. 1936).

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

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

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

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

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

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

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

30 "Insurer." A foreign or domestic insurance company,

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

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

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

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

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

29 Section 1006-A. [Coordination of] Benefits.--(a) Benefits  
30 provided under individual policies by an insurer may be subject

1 to coordination of benefits with any other group policy,  
2 individual policy, Federal or State government program, labor-  
3 management trustee plan, union welfare plan, employer  
4 organization plan or employee benefit organization plan except  
5 as otherwise provided by law.

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

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

9 (2) is not married;

10 (3) has no dependents;

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

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

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

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