

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1453 Session of
2008

INTRODUCED BY CORMAN, SCARNATI, PILEGGI, D. WHITE, ARMSTRONG,
ERICKSON, BROWNE, VANCE, WONDERLING, COSTA, ORIE, BOSCOLA,
KITCHEN, A. WILLIAMS, MUSTO, BRUBAKER, M. WHITE, RHOADES,
WOZNIAK, LOGAN, GREENLEAF AND EARLL, JUNE 23, 2008

REFERRED TO BANKING AND INSURANCE, JUNE 23, 2008

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 for conditions
12 subject to which policies are to be issued; and providing for
13 health insurance coverage for certain children of insured
14 parents.

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

17 Section 1. Section 617(A)(3) and (9) of the act of May 17,
18 1921 (P.L.682, No.284), known as The Insurance Company Law of
19 1921, repealed and added May 25, 1951 (P.L.417, No.99) and
20 January 18, 1968 (1967 P.L.969, No.433), are amended to read:

21 Section 617. Conditions Subject to Which Policies Are to Be
22 Issued.--(A) No such policy shall be delivered or issued for
23 delivery to any person in this Commonwealth unless:

1 * * *

2 (3) it purports to insure only one person, except that a
3 policy may insure, originally or by subsequent amendment, upon
4 the application of an adult head of a family who shall be deemed
5 the policyholder, any two or more eligible members of that
6 family, including husband, wife, dependent children or any
7 children under a specified age which, except as provided under
8 section 617.1, shall not exceed nineteen years and any other
9 person dependent upon the policyholder; and

10 * * *

11 (9) A policy delivered or issued for delivery after January
12 1, 1968, under which coverage of a dependent of a policyholder
13 terminates at a specified age shall, with respect to an
14 unmarried child covered by the policy prior to the attainment of
15 the age of nineteen or except as provided under section 617.1,
16 the attainment of the age of thirty, who is incapable of self-
17 sustaining employment by reason of mental retardation or
18 physical handicap and who became so incapable prior to
19 attainment of age nineteen and who is chiefly dependent upon
20 such policyholder for support and maintenance, not so terminate
21 while the policy remains in force and the dependent remains in
22 such condition, if the policyholder has within thirty-one days
23 of such dependent's attainment of the limiting age submitted
24 proof of such dependent's incapacity as described herein. The
25 foregoing provisions of this paragraph shall not require an
26 insurer to insure a dependent who is a mentally retarded or
27 physically handicapped child where the policy is underwritten on
28 evidence of insurability based on health factors set forth in
29 the application or where such dependent does not satisfy the
30 conditions of the policy as to any requirement for evidence of

1 insurability or other provisions of the policy, satisfaction of
2 which is required for coverage thereunder to take effect. In any
3 such case the terms of the policy shall apply with regard to the
4 coverage or exclusion from coverage of such dependent.

5 * * *

6 Section 2. The act is amended by adding a section to read:

7 Section 617.1. Health Insurance Coverage for Certain
8 Children of Insured Parents.--(A) An insurer that issues,
9 delivers, executes or renews health care insurance in this
10 Commonwealth, under which coverage of a child would otherwise
11 terminate at a specified age, shall, at the option of the
12 policyholder, provide coverage to a child of the insured beyond
13 that specified age, up through the age of twenty-nine, provided
14 that the child meet all of the following requirements:

15 (1) Is not married.

16 (2) Has no dependents.

17 (3) Is a resident of this Commonwealth or is enrolled as a
18 full-time student at an institution of higher education.

19 (4) Is not provided coverage as a named subscriber, insured,
20 enrollee or covered person under any other group or individual
21 health insurance policy or entitled to or eligible for benefits
22 under any government program, including benefits under Title
23 XVIII of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1395
24 et seq.).

25 (B) Insurers may determine increases in premiums related to
26 continuation of coverage for the adult dependent past the
27 limiting age of nineteen.

28 (C) This section shall not include the following types of
29 insurance or any combination thereof:

30 (1) Hospital indemnity.

- 1 (2) Accident.
- 2 (3) Specified disease.
- 3 (4) Disability income.
- 4 (5) Dental.
- 5 (6) Vision.
- 6 (7) Civilian Health and Medical Program of the Uniformed
- 7 Services (CHAMPUS) supplement.
- 8 (8) Medicare supplement.
- 9 (9) Long-term care.
- 10 (10) Other limited benefit plans.

11 Section 3. This act shall apply to new contracts and
12 contract renewals occurring 90 days after the effective date of
13 this act.

14 Section 4. This act shall take effect immediately.