

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 440 Session of 2023

INTRODUCED BY SANTARSIERO, BROOKS, HUGHES, HAYWOOD, KEARNEY,  
KANE, FONTANA, BREWSTER, BARTOLOTTA, DILLON, COSTA, COLLETT,  
CAPPELLETTI AND STREET, MARCH 14, 2023

REFERRED TO BANKING AND INSURANCE, MARCH 14, 2023

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," in casualty insurance, further  
12 providing for conditions subject to which policies are to be  
13 issued and for health insurance coverage for certain children  
14 of insured parents.

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

17 Section 1. Sections 617(A)(3) and (9) and 617.1 of the act  
18 of May 17, 1921 (P.L.682, No.284), known as The Insurance  
19 Company Law of 1921, are amended to read:

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

23 \* \* \*

1 (3) it purports to insure only one person, except that a  
2 policy may insure, originally or by subsequent amendment, upon  
3 the application of an adult head of a family who shall be deemed  
4 the policyholder, any two or more eligible members of that  
5 family, including husband, wife, dependent children or any  
6 children under a specified age which[, except as provided under  
7 section 617.1, shall not exceed nineteen] shall be at least  
8 twenty-six years, and any other person dependent upon the  
9 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] twenty-six who is incapable of self-  
16 sustaining employment by reason of [mental retardation or  
17 physical handicap] an intellectual or physical disability and  
18 who became so incapable prior to attainment of age [nineteen]  
19 twenty-six and who is chiefly dependent upon such policyholder  
20 for support and maintenance, not so terminate while the policy  
21 remains in force and the dependent remains in such condition, if  
22 the policyholder has within thirty-one days of such dependent's  
23 attainment of the limiting age submitted proof of such  
24 dependent's incapacity as described herein. The foregoing  
25 provisions of this paragraph shall not require an insurer to  
26 insure a dependent who [is a mentally retarded or physically  
27 handicapped child] has an intellectual or physical disability  
28 where the policy is underwritten on evidence of insurability  
29 based on health factors set forth in the application or where  
30 such dependent does not satisfy the conditions of the policy as

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

6 \* \* \*

7 Section 617.1. Health Insurance Coverage for Certain  
8 Children of Insured Parents.--(A) (1) A health insurance  
9 policy offered, issued or renewed in this Commonwealth that  
10 provides dependent coverage of children shall continue to make  
11 such coverage available for an adult child who has not attained  
12 the age of 26 prior to the date of issuance or renewal.

13 (2) With respect to a child who has not attained the age of  
14 26, a health insurance policy:

15 (i) May define dependent for purposes of eligibility for  
16 dependent coverage of children in terms of a relationship  
17 between the child and the policyholder or certificate holder,  
18 including as described in 26 U.S.C. § 152(f)(1) (relating to  
19 dependent defined).

20 (ii) May not deny or restrict dependent coverage based on  
21 any of the following or any combination of the following:

22 (a) The presence or absence of the child's financial  
23 dependency on any other person.

24 (b) The residency of the child, whether by location,  
25 including service area, or by residency with any other person.

26 (c) The marital status of the child.

27 (d) The child's enrollment in an academic or vocational  
28 educational institution.

29 (e) The child's employment status.

30 (3) A health insurance policy providing dependent coverage

of children may deny or limit coverage, or impose additional  
conditions for coverage, for individuals not described in 26  
U.S.C. § 152(f)(1).

(4) The terms of a health insurance policy providing  
dependent coverage of children pursuant to this subsection may  
not vary based on age.

(B) (1) An insurer that issues, delivers, executes or  
renews a group health [care] insurance policy in this  
Commonwealth under which coverage of a child would otherwise  
terminate at a specified age shall, at the option of the  
policyholder, provide coverage to a child of an insured employe  
beyond that specified age, up through and including the age of  
29, at the insured employe's expense, and provided that the  
child meet all of the following requirements:

[ (1) ] (i) Is not married.

[ (2) ] (ii) Has no dependents.

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

[ (4) ] (iv) Is not provided coverage as a named subscriber,  
insured, enrollee or covered person under any other group or  
individual health insurance policy or enrolled in or entitled to  
benefits under any government health care benefits program,  
including benefits under Title XVIII of the Social Security Act  
(49 Stat. 620, 42 U.S.C. § 1395 et seq.).

[ (B) ] (2) Insurers may determine increases in premiums  
related to continuation of coverage for the adult dependent  
[past the limiting age of nineteen] 26 years of age or older.

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

1       (1)   Hospital indemnity.  
2       (2)   Accident.  
3       (3)   Specified disease.  
4       (4)   Disability income.  
5       (5)   Dental.  
6       (6)   Vision.  
7       (7)   Civilian Health and Medical Program of the Uniformed  
8   Services (CHAMPUS) supplement.  
9       (8)   Medicare supplement.  
10      (9)   Long-term care.  
11      (10)   Other limited benefit plans.  
12      (11)   [Individual health insurance policies.] Fixed  
13   indemnity.  
14      (12)   Credit.  
15      (13)   Workers' compensation or automobile medical payment  
16   insurance.  
17      (D)   For the purpose of this section:  
18      "Health [care] insurance policy" means a [group] health,  
19   sickness or accident policy or subscriber contract or  
20   certificate issued by an entity subject to any one of the  
21   following:  
22      (1)   This act, including section 630.  
23      (2)   The act of December 29, 1972 (P.L.1701, No.364), known  
24   as the "Health Maintenance Organization Act."  
25      (3)   The act of May 18, 1976 (P.L.123, No.54), known as the  
26   "Individual Accident and Sickness Insurance Minimum Standards  
27   Act."  
28      (4)   40 Pa.C.S. Ch. 61 (relating to hospital plan  
29   corporations) or 63 (relating to professional health services  
30   plan corporations).

1       (5) Article XXIV.

2       Section 2. The amendment of sections 617(A)(3) and (9) and  
3 617.1 of the act shall apply to health insurance policies  
4 offered, issued or renewed on or after the effective date of  
5 this section.

6       Section 3. All acts and parts of acts are repealed insofar  
7 as they are inconsistent with this act.

8       Section 4. This act shall take effect in 90 days.