

The House Committee on Insurance offers the following substitute to HB 1456:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to
2 provide availability of an accident and sickness policy upon termination of dependent
3 coverage based on the age of the dependent; to change requirements as to individual accident
4 and sickness policies to insure certain dependent children of the insured up to and including
5 age 25; to provide an exception for certain matters concerning renewability of individual
6 accident and sickness policies; to provide for the Commissioner to promulgate rules and
7 regulations; to require that certain group accident and sickness insurance policies insure
8 certain dependent children of the insured up to and including age 25; to provide for related
9 matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 style="text-align:center">**SECTION 1.**

12 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
13 striking paragraph (3) of subsection (a) of Code Section 33-29-2, relating to requirements
14 as to individual accident and sickness insurance policies generally, and inserting a new
15 paragraph to read as follows:

16 "(3) It purports to insure only one person, provided that a policy may insure, originally
17 or by subsequent amendment upon the application of an adult member of a family who
18 shall be deemed the policyholder, any two or more eligible members of that family,
19 including husband, wife, dependent children, or any children, under a specified age which
20 shall not exceed 19 years, and any other person dependent upon the policyholder;
21 provided, further, that, if a policy purports to insure a dependent child of the policyholder,
22 the child shall continue to be insured up to and including age 25 so long as the policy
23 continues in effect; and the child remains a dependent of the policyholder, ~~and the child,~~
24 ~~in each calendar year since reaching the age specified in the policy for termination of~~
25 ~~benefits as a dependent of the policyholder, has been enrolled for five calendar months~~
26 ~~or more as a full-time student in a postsecondary institution of higher learning or, if not~~

1 ~~so enrolled, would have been eligible to be so enrolled and was prevented from being so~~
 2 ~~enrolled due to illness or injury;"~~

3 SECTION 2.

4 Said title is further amended by striking Code Section 33-29-9, relating to requirements as
 5 to references in policies to noncancelable nature or guaranteed renewability nature of
 6 individual accident and sickness insurance, and inserting in its place a new Code section to
 7 read as follows:

8 "33-29-9.

9 (a) No policy of accident or sickness insurance shall refer to its noncancelable nature
 10 without at the same time disclosing all options the insurer may have in regard to
 11 renewability; and the guaranteed renewable nature of any such policy shall not be
 12 referred to unless the reference at the same time discloses the qualifications on the
 13 guarantee of renewability, including any age limits, any right to change premium rates
 14 by class, any aggregate provisions, and any other limitations on the right to renewal in
 15 a manner which shall not minimize or render obscure the qualifying conditions.

16 (b) An insurer operating in the major medical or comprehensive, guaranteed renewable
 17 business in the State of Georgia shall permit an insured to change his or her major
 18 medical or comprehensive coverage, upon election at any renewal, to a comparable
 19 product currently offered by that insurer or a product currently offered by that insurer
 20 with more limited product benefits; to a product with higher deductibles; or to modify his
 21 or her existing coverage to elect any optional higher deductibles under that policy. If
 22 such product, benefit, or deductible change is elected by the insured during the 60 day
 23 required period after notice of renewal premium increase but before renewal date, such
 24 insured shall not be subject to any new preexisting conditions exclusion that did not apply
 25 to his or her original coverage.

26 (c) The Commissioner shall adopt such rules and regulations as he or she deems
 27 necessary for the administration of this Code section."

28 SECTION 3.

29 Said title is further amended by adding a new Code Section 33-29-21.1 to read as follows:

30 "33-29-21.1.

31 Every policy which contains a provision for termination of coverage of a dependent upon
 32 the reaching of a certain age shall contain a provision to the effect that, upon the date of the
 33 dependent reaching the age at which coverage would terminate under the provisions of the
 34 policy, the dependent shall be entitled to have issued to him or her, without evidence of
 35 insurability, upon application made to the company within 31 days following the date the

1 dependent reaches the age at which coverage would terminate and upon the payment of the
2 appropriate premium, an individual or family policy of accident and sickness insurance
3 then being issued by the insurer which provides coverage most nearly similar to the
4 coverage contained in the policy which was terminated by reason of dependent reaching
5 a certain age or any similar individual or family policy then being issued by the insurer
6 which contains lesser coverage. Any and all probationary or waiting periods set forth in
7 such an individual or family policy shall be considered as being met to the extent coverage
8 was in force under the prior policy."

9 **SECTION 4.**

10 Said title is further amended by striking paragraph (4) of Code Section 33-30-4, relating to
11 required provisions for group accident and sickness insurance generally, and inserting in its
12 place a new paragraph to read as follows:

13 "(4) A provision that, with respect to termination of benefits for, or coverage of, any
14 person who is a dependent child of an insured, the child shall continue to be insured up
15 to and including age 25 so long as the coverage of the member continues in effect; and
16 the child remains a dependent of the insured parent or guardian, ~~and the child, in each~~
17 ~~calendar year since reaching any age specified for termination of benefits as a dependent,~~
18 ~~has been enrolled for five calendar months or more as a full-time student at a~~
19 ~~postsecondary institution of higher learning or, if not so enrolled, would have been~~
20 ~~eligible to be so enrolled and was prevented from being so enrolled due to illness or~~
21 ~~injury.~~ This paragraph shall not apply to group policies under which an employer
22 provides coverage for dependents of its employees and pays the entire cost of the
23 coverage without any charge to the employee or dependents; and"

24 **SECTION 5.**

25 All laws and parts of laws in conflict with this Act are repealed.