

The Senate Insurance and Labor Committee offered the following substitute to SB 330:

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 prohibit health insurers from rescinding or canceling policies or denying claims based on
3 misstatements or omissions except under certain circumstances; to provide that no accident
4 and sickness policy contains a provision for annual or lifetime benefit limits; to provide that
5 an insured under a group accident and sickness policy may include dependents up to age 25;
6 to remove references to dollar limits for annual and lifetime accident and sickness policy
7 provisions; to provide for related matters; to provide for applicability; to repeal conflicting
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

10 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
11 revising paragraph (3) subsection (a) of Code Section 33-24-24, relating to general insurance
12 provisions in group or blanket accident and sickness policies of coverage for complications
13 of pregnancy, as follows:
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15 "(3) 'Major medical coverage' means coverage which provides benefits of at least 75
16 percent of necessary, reasonable, and customary charges for medical care, including
17 hospitalization in semiprivate accommodations, with no maximum lifetime benefits of
18 ~~at least \$100,000.00.~~"

SECTION 2.

19 Said title is further amended by adding a new Code section to read as follows:

20 "33-24-47.2.

21 (a) This Code section shall apply only to policies, contracts, or certificates of insurance
22 insuring against loss resulting from sickness or from bodily injury or death by accident, or
23 both.
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25 (b) Except in the case of fraud on the part of the policyholder, no insurer shall rescind or
 26 cancel a policy to which this Code section applies or deny a claim for loss incurred or
 27 disability under such policy for a misstatement or omission, unless the misstatement or
 28 omission made by the policyholder directly relates to the illness or condition which
 29 produced the claim.

30 (c) No accident and sickness policy that contains a provision restricting benefits by
 31 establishing an annual or lifetime benefit shall be delivered or issued for delivery in this
 32 state.

33 (d) This Code section shall not apply to limited benefit insurance policies designed,
 34 advertised, and marketed to supplement major medical insurance such as accident only,
 35 CHAMPUS supplement, dental, disability income, fixed indemnity, long-term care,
 36 medicare supplement, specified disease, or vision."

37 **SECTION 3.**

38 Said title is further amended by revising subsection (c) of Code Section 33-29-8, relating to
 39 the provision in individual accident and sickness insurance policies that are renewable or
 40 cancelable at the option of insurer for refund of premiums, as follows:

41 "(c) For the purpose of this chapter, a major medical policy is any policy which provides
 42 benefits of at least 75 percent of necessary, reasonable, and customary charges for medical
 43 care, including hospitalization in semiprivate accommodations, with no maximum lifetime
 44 benefit of at least \$100,000.00, subject only to such exceptions, restrictions, limitations,
 45 and deductible as the Commissioner may deem reasonable."

46 **SECTION 4.**

47 Said title is further amended by revising paragraph (4) of Code Section 33-30-4, relating to
 48 required provisions of group accident and sickness policies generally, as follows:

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

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SECTION 5.

Said title is further amended by revising paragraph (8) of subsection (b) of Code Section 33-30-6, relating to required provisions of blanket accident and sickness policies, as follows:

"(8) A provision that, with respect to termination of benefits for, or coverage of, any person who is a dependent child of an insured, the child shall continue to be insured up to and including age 25 so long as the coverage of the insured parent or guardian continues in effect; and the child remains a dependent of the parent or guardian, ~~and the child, in each calendar year since reaching any age specified for termination of benefits as a dependent, has been enrolled for five months or more as a full-time student at a postsecondary institution of higher learning or, if not so enrolled, would have been eligible to be so enrolled and was prevented from being so enrolled due to illness or injury.~~"

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SECTION 6.

Said title is further amended by revising subsection (a) of Code Section 33-44-7, relating to high risk health insurance plan major medical expense coverage, as follows:

"(a) The plan shall offer major medical expense coverage to every eligible person. Major medical expense coverage offered by the plan shall pay an eligible person's covered expenses, subject to limits on the deductible and coinsurance payments authorized under paragraph (3) of subsection (d) of this Code section, ~~up to an~~ with no annual limit of ~~\$100,000.00~~ and ~~up to a~~ no lifetime limit of ~~\$500,000.00~~ per covered individual. The annual limit and maximum lifetime limit provided under this subsection shall not be altered by the board, and no actuarial equivalent benefit may be substituted by the board."

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SECTION 7.

This Act shall apply to all plan years beginning on or after January 1, 2011, and shall apply to newly issued policies and renewals of existing policies.

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SECTION 8.

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