

Senate Bill 330

By: Senators Smith of the 52nd, Rogers of the 21st, Williams of the 19th, Seabaugh of the 28th, Hawkins of the 49th and others

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 repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **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:

14 "(3) 'Major medical coverage' means coverage which provides benefits of at least 75  
15 percent of necessary, reasonable, and customary charges for medical care, including  
16 hospitalization in semiprivate accommodations, with no maximum lifetime benefits of  
17 ~~at least \$100,000.00.~~"

18 **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.

24 (b) No insurer shall rescind or cancel a policy to which this Code section applies or deny  
25 a claim for loss incurred or disability under such policy for a misstatement or omission.

26 unless the misstatement or omission made by the policyholder directly relates to the illness  
 27 or condition which produced the claim.

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

31 **SECTION 3.**

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

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

40 **SECTION 4.**

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

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

54 **SECTION 5.**

55 Said title is further amended by revising paragraph (8) of subsection (b) of Code Section  
 56 33-30-6, relating to required provisions of blanket accident and sickness policies, as follows:

57 "(8) A provision that, with respect to termination of benefits for, or coverage of, any  
 58 person who is a dependent child of an insured, the child shall continue to be insured up  
 59 to and including age 25 so long as the coverage of the insured parent or guardian

60 continues in effect; and the child remains a dependent of the parent or guardian, ~~and the~~  
 61 ~~child, in each calendar year since reaching any age specified for termination of benefits~~  
 62 ~~as a dependent, has been enrolled for five months or more as a full-time student at a~~  
 63 ~~postsecondary institution of higher learning or, if not so enrolled, would have been~~  
 64 ~~eligible to be so enrolled and was prevented from being so enrolled due to illness or~~  
 65 ~~injury."~~

66 **SECTION 6.**

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

69 "(a) The plan shall offer major medical expense coverage to every eligible person. Major  
 70 medical expense coverage offered by the plan shall pay an eligible person's covered  
 71 expenses, subject to limits on the deductible and coinsurance payments authorized under  
 72 paragraph (3) of subsection (d) of this Code section, ~~up to an~~ with no annual limit of  
 73 ~~\$100,000.00~~ and ~~up to a~~ no lifetime limit of ~~\$500,000.00~~ per covered individual. The  
 74 annual limit and maximum lifetime limit provided under this subsection shall not be altered  
 75 by the board, and no actuarial equivalent benefit may be substituted by the board."

76 **SECTION 7.**

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