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# A BILL FOR AN ACT

RELATING TO INSURANCE FOR DISABLED CHILDREN.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 431:10A, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§431:10A-       Coverage for disabled children. Any other  
5 law to the contrary notwithstanding, commencing on January 1,  
6 2006, each policy of accident and health or sickness insurance  
7 that is issued or renewed in this State shall contain a  
8 provision for coverage for a child of the insured, regardless of  
9 the child's age, while the child is and continues to be:

10           (1) Incapable of self-sustaining employment by reason of  
11                 physical or mental disability; and

12           (2) Chiefly dependent upon the insured for support and  
13                 maintenance,

14 provided proof of incapacity and dependency is furnished to the  
15 insurer by the policyholder as may be required by the insurer,  
16 but not more frequently than annually."



1 SECTION 2. Chapter 432D, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§432D- Coverage for disabled children. Any other law  
5 to the contrary notwithstanding, commencing on January 1, 2006,  
6 every contract for health care services delivered or issued for  
7 delivery in this State that provides health care services or  
8 benefits for the children of the insured shall also provide  
9 coverage for a child of the insured, regardless of the child's  
10 age, while the child is and continues to be:

11 (1) Incapable of self-sustaining employment by reason of  
12 physical or mental disability; and

13 (2) Chiefly dependent upon the insured for support and  
14 maintenance,

15 provided proof of incapacity and dependency is furnished to the  
16 insurer by the enrollee as may be required by the insurer, but  
17 not more frequently than annually."

18 SECTION 3. Section 431:10-212, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 ~~"§431:10-212 [Contract limitations for mentally retarded~~  
21 ~~and handicapped children. Every individual life insurance~~  
22 ~~policy, every group life insurance policy, and every hospital or~~



1 ~~medical expense insurance policy, delivered or issued for~~  
2 ~~delivery in this State after May 8, 1968, which provides that~~  
3 ~~coverage of a dependent child shall terminate upon attainment of~~  
4 ~~the limiting age for dependent children specified in the policy,~~  
5 ~~shall also provide in substance that attainment of such limiting~~  
6 ~~age shall not operate to terminate coverage of such child while~~  
7 ~~the child is and continues to be:~~

8       ~~(1) Incapable of self-sustaining employment by reason of~~  
9           ~~mental retardation or physical handicap, and~~

10       ~~(2) Chiefly dependent upon the policyholder for support~~  
11           ~~and maintenance,~~

12 ~~provided proof of such incapacity and dependency is furnished to~~  
13 ~~the insurer by the policyholder within thirty-one days of the~~  
14 ~~child's attainment of the limiting age and subsequently as may~~  
15 ~~be required by the insurer, but not more frequently than~~

16 ~~annually after the two-year period following child's attainment~~

17 ~~of the limiting age.] Coverage for disabled children. Any other~~

18 ~~law to the contrary notwithstanding, commencing on January 1,~~

19 ~~2006, every insurance policy and every contract for health care~~

20 ~~services delivered or issued for delivery in this State that~~

21 ~~provides benefits for the children of the insured shall also~~



1 provide coverage for a child of the insured, regardless of the  
2 child's age, while the child is and continues to be:

3 (1) Incapable of self-sustaining employment by reason of  
4 physical or mental disability; and

5 (2) Chiefly dependent upon the insured for support and  
6 maintenance,

7 provided proof of incapacity and dependency is furnished to the  
8 insurer by the policyholder as may be required by the insurer,  
9 but not more frequently than annually."

10 SECTION 4. Section 431:10D-212, Hawaii Revised Statutes,  
11 is amended by amending subsection (b) to read as follows:

12 "(b) For purposes of this section:

13 "Dependent" means a child of the insured individual:

14 (1) Under eighteen years of age;

15 (2) Under twenty-three years of age who is attending an  
16 educational institution and relying upon the insured  
17 individual for financial support; or

18 (3) Regardless of age who is incapable of self-sustaining  
19 employment by reason of [~~mental retardation or~~  
20 ~~physical handicap~~] physical or mental disability and  
21 is chiefly dependent upon the insured individual for  
22 support and maintenance.



1 "Individual" includes a person or a member of any group  
2 provided in section 431:10D-202 and sections 431:10D-204 through  
3 431:10D-210."

4 SECTION 5. Section 432:1-601, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "§432:1-601 [~~Contract limitations for mentally retarded~~  
7 ~~and handicapped children.~~ All individual and group hospital or  
8 ~~medical service plan contracts, delivered or issued for delivery~~  
9 ~~in this State after May 8, 1968, which provide that coverage of~~  
10 ~~a dependent child shall terminate upon attainment of the~~  
11 ~~limiting age for dependent children specified in the contract~~  
12 ~~shall also provide in substance that attainment of such limiting~~  
13 ~~age shall not operate to terminate the coverage of such child~~  
14 ~~while the child is and continues to be both (1) incapable of~~  
15 ~~self-sustaining employment by reason of mental retardation or~~  
16 ~~physical handicap, and (2) chiefly dependent upon the~~  
17 ~~policyholder, subscriber or employee as the case may be, for~~  
18 ~~support and maintenance, provided proof of such incapacity and~~  
19 ~~dependency is furnished to the hospital service or medical~~  
20 ~~indemnity association by the policyholder, subscriber or~~  
21 ~~employee within thirty one days of the child's attainment of the~~  
22 ~~limiting age and subsequently as may be required by such~~



1 ~~association.]~~ Coverage for disabled children. Any other law to  
 2 the contrary notwithstanding, commencing on January 1, 2006,  
 3 every hospital or medical expense insurance policy and every  
 4 contract for health care services delivered or issued for  
 5 delivery in this State that provides health care services or  
 6 benefits for the children of the insured shall also provide  
 7 coverage for a child of the insured, regardless of the child's  
 8 age, while the child is and continues to be:

9 (1) Incapable of self-sustaining employment by reason of  
 10 physical or mental disability; and

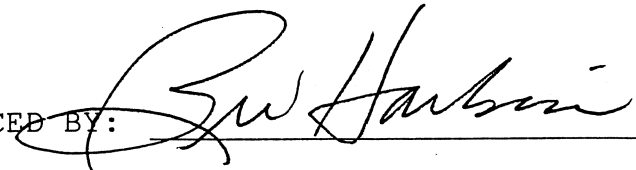
11 (2) Chiefly dependent upon the insured for support and  
 12 maintenance,

13 provided proof of incapacity and dependency is furnished to the  
 14 insurer by the policyholder as may be required by the insurer,  
 15 but not more frequently than annually."

16 SECTION 6. Statutory material to be repealed is bracketed  
 17 and stricken. New statutory material is underscored.

18 SECTION 7. This Act shall take effect upon its approval.

19

INTRODUCED BY:   
 JAN 25 2006

**Report Title:**

Disabled Children

**Description:**

Requires health insurance policies and similar products that provide coverage for the children of an insured to also provide coverage for the disabled children of the insured.

