

JAN 25 2010

A BILL FOR AN ACT

RELATING TO INSURANCE.

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

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

4 **"§431:10A-A. Extension of dependent coverage. (a) A**
5 health insurance plan issued by an accident and sickness insurer
6 shall make available, at the option of the principal enrollee
7 under the plan, coverage for any qualified child, as defined in
8 subsection (b), of the enrollee.

9 (b) The term "qualified child" means, with respect to a
10 principal enrollee in a health insurance plan, an individual
11 who, but for age, would be treated as a dependent child of the
12 enrollee under that plan and who is under twenty-seven years of
13 age and is not enrolled in another health insurance plan."

14 SECTION 2. Chapter 432, Hawaii Revised Statutes, is
15 amended by adding to part VI a new section to be appropriately
16 designated and to read as follows:

1 **"§432-B Extension of dependent coverage.** (a) A health
2 insurance plan issued by a mutual benefit society shall make
3 available, at the option of the principal enrollee under the
4 plan, coverage for any qualified child, as defined in subsection
5 (b), of the enrollee.

6 (b) The term "qualified child" means, with respect to a
7 principal enrollee in a health insurance plan, an individual
8 who, but for age, would be treated as a dependent child of the
9 enrollee under that plan and who is under twenty-seven years of
10 age and is not enrolled in another health insurance plan."

11 SECTION 3. Section 432D-23, Hawaii Revised Statutes, is
12 amended to read as follows:

13 **"§432D-23 Required provisions and benefits.**

14 Notwithstanding any provision of law to the contrary, each
15 policy, contract, plan, or agreement issued in the State after
16 January 1, 1995, by health maintenance organizations pursuant to
17 this chapter, shall include benefits provided in sections
18 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-
19 116.5, 431:10A-116.6, 431:10A-119, 431:10A-120, 431:10A-121,
20 431:10A-125, 431:10A-126, and chapter 431M."

21 SECTION 4. In codifying the new sections added by sections
22 1 and 2 of this Act, the revisor of statutes shall substitute

S.B. NO. 2698

1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 5. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 6. This Act shall take effect on July 1, 2010.

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INTRODUCED BY: _____

~~_____~~
BY REQUEST

Report Title:

Insurance

Description:

Mandates the offer of health insurance coverage for dependents up to age 27 at the option of the parents.

JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO INSURANCE.

PURPOSE: To require health insurers to offer the option of coverage for uninsured young adults as dependents until the age of twenty-seven.

MEANS: Add new sections to article 10A of chapter 431 and chapter 432, Hawaii Revised Statutes; amend section 432D-23, HRS.

JUSTIFICATION: Young adults can have difficulty obtaining affordable health insurance, particularly if they remain in the educational system past the age of majority. This bill allows parents the option of continuing to cover their children as dependents until the age of 27. This bill may be particularly important if the economy remains weak and young adults have difficulty getting employer based health insurance.

Impact on the public: This bill will help young adults obtain affordable health insurance through their parent's coverage on an optional basis.

Impact on the department and other agencies: None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: CCA-106.

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OTHER AFFECTED
AGENCIES:

None.

EFFECTIVE DATE:

July 1, 2010.