

AMENDMENTS TO LB 551

Introduced by White, 8.

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 44-710.01, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 44-710.01 No policy of sickness and accident insurance
6 shall be delivered or issued for delivery to any person in this
7 state unless (1) the entire money and other considerations therefor
8 are expressed therein, (2) the time at which the insurance takes
9 effect and terminates is expressed therein, (3) it purports to
10 insure only one person, except that a policy may insure, originally
11 or by subsequent amendment, upon the application of an adult
12 member of a family who shall be deemed the policyholder, any
13 two or more eligible members of that family, including husband,
14 wife, dependent children, any children enrolled on a full-time
15 basis in any college, university, or trade school, or any children
16 under a specified age which shall not exceed ~~twenty-three~~ thirty
17 years and any other person dependent upon the policyholder; any
18 individual policy hereinafter delivered or issued for delivery
19 in this state which provides that coverage of a dependent child
20 shall terminate upon the attainment of the limiting age for
21 dependent children specified in the policy shall also provide in
22 substance that attainment of such limiting age shall not operate
23 to terminate the coverage of such child during the continuance

1 of such policy and while the child is and continues to be both
2 (a) incapable of self-sustaining employment by reason of mental
3 retardation or physical handicap and (b) chiefly dependent upon
4 the policyholder for support and maintenance, if proof of such
5 incapacity and dependency is furnished to the insurer by the
6 policyholder within thirty-one days of the child's attainment of
7 the limiting age and subsequently as may be required by the
8 insurer but not more frequently than annually after the two-year
9 period following the child's attainment of the limiting age; such
10 insurer may charge an additional premium for and with respect
11 to any such continuation of coverage beyond the limiting age of
12 the policy with respect to such child, which premium shall be
13 determined by the insurer on the basis of the class of risks
14 applicable to such child, (4) it contains a title on the face of
15 the policy correctly describing the policy, (5) the exceptions and
16 reductions of indemnity are set forth in the policy and, except
17 those which are set forth in sections 44-710.03 and 44-710.04,
18 are printed, at the insurer's option, either included with the
19 benefit provision to which they apply or under an appropriate
20 caption such as EXCEPTIONS, or EXCEPTIONS AND REDUCTIONS; if an
21 exception or reduction specifically applies only to a particular
22 benefit of the policy, a statement of such exception or reduction
23 shall be included with the benefit provision to which it applies,
24 (6) each such form, including riders and endorsements, shall be
25 identified by a form number in the lower left-hand corner of the
26 first page thereof, (7) it contains no provision purporting to make
27 any portion of the charter, rules, constitution, or bylaws of the

1 insurer a part of the policy unless such portion is set forth in
2 full in the policy, except in the case of the incorporation of, or
3 reference to, a statement of rates or classification of risks, or
4 short-rate table filed with the Director of Insurance, and (8) on
5 or after January 1, 1999, any restrictive rider contains a notice
6 of the existence of the Comprehensive Health Insurance Pool if the
7 policy provides health insurance as defined in section 44-4209.

8 Sec. 2. Section 44-761, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 44-761 Each group policy of sickness and accident
11 insurance shall contain in substance the following provisions:

12 (1) A provision that the policy, the application of the
13 policyholder if such application or copy thereof is attached to
14 such policy, and the individual applications, if any, submitted
15 in connection with such policy by the employees or members, shall
16 constitute the entire contract between the parties, that all
17 statements, in the absence of fraud, made by any applicant or
18 applicants shall be deemed representations and not warranties, and
19 that no such statement shall avoid the insurance or reduce benefits
20 thereunder unless contained in a written application of which a
21 copy is attached to the policy;

22 (2) A provision that the insurer will furnish to the
23 policyholder, for delivery to each employee or member of the
24 insured group, an individual certificate setting forth in summary
25 form a statement of the essential features of the insurance
26 coverage of such employee or member and to whom benefits thereunder
27 are payable. If dependents are included in the coverage, only one

1 certificate need be issued for each family unit;

2 (3) A provision that to the group originally insured may
3 be added from time to time eligible new employees or members or
4 dependents, as the case may be, in accordance with the terms of the
5 policy; and

6 (4) A provision that the insurance coverage of the
7 employee or member may include, originally or by subsequent
8 amendment, upon the application of the employee or member, any
9 two or more eligible members of his or her family, including
10 husband, wife, dependent children, any children enrolled on a
11 full-time basis in any college, university, or trade school,
12 or any children under a specified age which shall not exceed
13 ~~twenty-three~~ thirty years, and any other person dependent upon
14 the policyholder. Any policy which provides that coverage of an
15 unmarried dependent child shall terminate upon the attainment of
16 the limiting age for unmarried dependent children specified in the
17 policy shall also provide that attainment of such limiting age
18 shall not operate to terminate the coverage of such child during
19 the continuance of the insurance coverage of the employee or member
20 under such policy and while such child is and continues to be
21 (a) incapable of self-sustaining employment by reason of mental or
22 physical handicap and (b) chiefly dependent upon the policyholder
23 for support and maintenance, if proof of such incapacity and
24 dependency is furnished to the insurer by the policyholder within
25 thirty-one days of such child's attainment of the limiting age
26 and subsequently as may be required by the insurer but not more
27 frequently than annually after the two-year period following such

1 child's attainment of the limiting age. The insurer may charge an
2 additional premium for and with respect to any such continuation of
3 coverage beyond the limiting age of the policy, which premium shall
4 be determined by the insurer on the basis of the class of risks
5 applicable to such child. The provisions of this subdivision shall
6 be contained in all new policies of group sickness and accident
7 insurance delivered or issued for delivery to any person in this
8 state. No group policy of sickness and accident insurance shall
9 contain any provisions which are in conflict with sections 44-3,144
10 to 44-3,150.

11 Sec. 3. (1) For purposes of this section, health benefit
12 plan means any expense-incurred individual or group sickness
13 and accident insurance policy, health maintenance organization
14 contract, or subscriber contract, except for any policy or contract
15 that provides coverage only for excepted benefits as defined in
16 the federal Health Insurance Portability and Accountability Act of
17 1996, 29 U.S.C. 1191b, and regulations adopted pursuant to the act,
18 as such act and regulations existed on January 1, 2009, or any
19 policy or contract that provides coverage for a specified disease
20 or other limited-benefit coverage.

21 (2) Notwithstanding section 44-3,131, any health benefit
22 plan or self-funded employee benefit plan to the extent not
23 preempted by federal law that provides coverage for children shall
24 provide for continuing coverage for such children as follows:

25 (a) If coverage under the health benefit plan or
26 self-funded employee benefit plan would otherwise terminate because
27 a covered child ceases to be a dependent, ceases to be a full-time

1 student, or attains an age which exceeds the specified age at which
2 coverage ceases pursuant to the health benefit plan, the health
3 benefit plan or self-funded employee benefit plan shall provide the
4 option to the insured to continue coverage for such child for the
5 earlier of the following:

6 (i) Through the end of the month in which the child (A)
7 marries, (B) ceases to be a resident of the state, unless the
8 child is under nineteen years of age or is enrolled on a full-time
9 basis in any college, university, or trade school, (C) receives
10 coverage under another health benefit plan or self-funded employee
11 benefit plan except a plan that provides coverage only for excepted
12 benefits as defined in the federal Health Insurance Portability
13 and Accountability Act of 1996, 29 U.S.C. 1191b, and regulations
14 adopted pursuant to the act, as such act and regulations existed on
15 January 1, 2009, or (D) attains thirty years of age; or

16 (ii) Any applicable period set forth for such child under
17 federal extension requirements established by the Consolidated
18 Omnibus Budget Reconciliation Act of 1985, Public Law 99-272, as
19 such act existed on January 1, 2009; and

20 (b) The insurer or self-funded employee benefit plan may
21 require:

22 (i) A written election from the insured; and

23 (ii) An additional premium for the child. Such premium
24 shall not vary based upon the health status of the child and
25 shall not exceed the amount the insurer or self-funded employee
26 benefit plan would receive for an identical individual for a single
27 adult insured. No employer shall be required to contribute to any

1 additional premium under this subdivision.

2 Sec. 4. This act becomes operative on January 1, 2010.

3 Sec. 5. Original sections 44-710.01 and 44-761, Reissue

4 Revised Statutes of Nebraska, are repealed.