

AMENDMENTS TO LB 551

Introduced by White, 8.

1           1. Strike the original sections and all amendments  
2 thereto and insert the following 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, subscriber contract, or self-funded employee benefit  
15 plan to the extent not preempted by federal law, except for  
16 any policy or contract that provides coverage only for excepted  
17 benefits as defined in the federal Health Insurance Portability  
18 and Accountability Act of 1996, 29 U.S.C. 1191b, and regulations  
19 adopted pursuant to the act, as such act and regulations existed on  
20 January 1, 2009, or any policy or contract that provides coverage  
21 for a specified disease or other limited-benefit coverage.

22           (2) Notwithstanding section 44-3,131, any health benefit  
23 plan that provides coverage for children shall provide for  
24 continuing coverage for such children as follows:

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

1 which exceeds the specified age at which coverage ceases pursuant  
2 to the plan, the health benefit plan shall provide the option  
3 to the insured to continue coverage for such child through the  
4 end of the month in which the child (i) marries, (ii) ceases to  
5 be a resident of the state, unless the child is under nineteen  
6 years of age or is enrolled on a full-time basis in any college,  
7 university, or trade school, (iii) receives coverage under another  
8 health benefit plan or a self-funded employee benefit plan that  
9 is not included in the definition of a health benefit plan under  
10 subsection (1) of this section but provides similar coverage, or  
11 (iv) attains thirty years of age; and

12 (b) The health benefit plan may require:

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

14 (ii) An additional premium for the child. Such premium  
15 shall not vary based upon the health status of the child and shall  
16 not exceed the amount the health benefit plan would receive for an  
17 identical individual for a single adult insured. No employer shall  
18 be required to contribute to any additional premium under this  
19 subdivision.

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

21 Sec. 5. Original sections 44-710.01 and 44-761, Reissue  
22 Revised Statutes of Nebraska, are repealed.