



General Assembly

February Session, 2002

**Raised Bill No. 253**

LCO No. 1013

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

**AN ACT CONCERNING EXTENSION OF HEALTH BENEFITS UNDER GROUP INSURANCE PLANS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-554 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2002*):

3 A group comprehensive health care plan shall contain the minimum  
4 standard benefits prescribed in section 38a-553 and shall also conform  
5 in substance to the requirements of this section.

6 (a) The plan shall be one under which the individuals eligible to be  
7 covered include: (1) Each eligible employee; (2) the spouse of each  
8 eligible employee, who shall be considered a dependent for the  
9 purposes of this section; and (3) dependent unmarried children, who  
10 are under the age of nineteen or are full-time students under the age of  
11 twenty-three at an accredited institution of higher learning.

12 (b) The plan shall provide the option to continue coverage under  
13 each of the following circumstances until the individual is eligible for  
14 other group insurance, except as provided in subdivisions (3) and (4)

15 of this subsection: (1) Notwithstanding any [contrary] provision of this  
16 section, upon layoff, reduction of hours, leave of absence, or  
17 termination of employment, other than as a result of death of the  
18 employee or as a result of such employee's "gross misconduct" as that  
19 term is used in 29 USC 1163(2), continuation of coverage for such  
20 employee and [his] such employee's covered dependents for the  
21 periods set forth for such event under federal extension requirements  
22 established by the federal Consolidated Omnibus Budget  
23 Reconciliation Act of 1985 (P.L. 99-272), as amended from time to time,  
24 (COBRA); (2) upon the death of the employee, continuation of  
25 coverage for the covered dependents of such employee for the periods  
26 set forth for such event under federal extension requirements  
27 established by the Consolidated Omnibus Budget Reconciliation Act of  
28 1985 (P.L. 99-272), as amended from time to time, (COBRA); (3)  
29 regardless of the employee's or dependent's eligibility for other group  
30 insurance, during an employee's absence due to illness or injury,  
31 continuation of coverage for such employee and [his] such employee's  
32 covered dependents during continuance of such illness or injury or for  
33 up to twelve months from the beginning of such absence; (4)  
34 regardless of an individual's eligibility for other group insurance, upon  
35 termination of the group plan, coverage for covered individuals who  
36 were totally disabled on the date of termination [.] shall be continued  
37 without premium payment during the continuance of such disability  
38 for a period of twelve calendar months following the calendar month  
39 in which the plan was terminated, provided claim is submitted  
40 [therefor] for coverage within one year of the termination of the plan;  
41 (5) the coverage of any covered individual shall terminate: (A) As to a  
42 child, the plan shall provide the option for said child to continue  
43 coverage for the longer of the following periods: (i) At the end of the  
44 month following the month in which the child marries, ceases to be  
45 dependent on the employee or attains the age of nineteen, whichever  
46 occurs first, except that if the child is a full-time student at an  
47 accredited institution, the coverage may be continued while the child  
48 remains unmarried and a full-time student, but not beyond the month

49 following the month in which the child attains the age of twenty-three.  
50 If on the date specified for termination of coverage on a dependent  
51 child, the child is unmarried and incapable of self-sustaining  
52 employment by reason of mental or physical handicap and chiefly  
53 dependent upon the employee for support and maintenance, the  
54 coverage on such child shall continue while the plan remains in force  
55 and the child remains in such condition, provided proof of such  
56 handicap is received by the carrier within thirty-one days of the date  
57 on which the child's coverage would have terminated in the absence of  
58 such incapacity. The carrier may require subsequent proof of the  
59 child's continued incapacity and dependency but not more often than  
60 once a year thereafter, or (ii) for the periods set forth for such child  
61 under federal extension requirements established by the Consolidated  
62 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended  
63 from time to time, (COBRA); (B) as to the employee's spouse, at the  
64 end of the month following the month in which a divorce, court-  
65 ordered annulment or legal separation is obtained, whichever is  
66 earlier, except that the plan shall provide the option for said spouse to  
67 continue coverage for the periods set forth for such events under  
68 federal extension requirements established by the Consolidated  
69 Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), as amended  
70 from time to time, (COBRA); and (C) as to the employee or dependent  
71 who is sixty-five years of age or older, as of midnight of the day  
72 preceding such person's eligibility for benefits under Title XVIII of the  
73 federal Social Security Act; (6) as to any other event listed as a  
74 "qualifying event" in 29 USC 1163, as amended from time to time,  
75 continuation of coverage for such periods set forth for such event in 29  
76 USC 1162, as amended from time to time, provided such plan may  
77 require the individual whose coverage is to be continued to pay up to  
78 the percentage of the applicable premium as specified for such event in  
79 29 USC 1162, as amended from time to time. [; (7) any] Any  
80 continuation of coverage required by this section except subdivision  
81 (4) or (6) of this subsection may be subject to the requirement, on the  
82 part of the individual whose coverage is to be continued, that such

83 individual contribute that portion of the premium [he] the individual  
84 would have been required to contribute had the employee remained  
85 an active covered employee, except that the individual may be  
86 required to pay up to one hundred two per cent of the entire premium  
87 at the group rate if coverage is continued in accordance with  
88 subdivision (1), (2) or (5) of this subsection. [ , provided the] The  
89 employer shall not be legally obligated by sections 38a-505, 38a-546  
90 and 38a-551 to 38a-559, inclusive, as amended, to pay such premium if  
91 not paid timely by the employee.

92 (c) The commissioner shall [promulgate] adopt regulations, in  
93 accordance with chapter 54, concerning coordination of benefits  
94 between the plan and other health insurance plans.

95 (d) The plan shall make available to Connecticut residents, in  
96 addition to any other conversion privilege available, a conversion  
97 privilege under which coverage shall be available immediately upon  
98 termination of coverage under the group plan. The terms and benefits  
99 offered under the conversion benefits shall be at least equal to the  
100 terms and benefits of an individual comprehensive health care plan.

This act shall take effect as follows:	
Section 1	October 1, 2002

**Statement of Purpose:**

To clarify that health insurers are required to continue health coverage for certain disabled or injured employees after health coverage terminates, regardless of whether the employees are eligible for other coverage, and to make technical changes.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*