



General Assembly

February Session, 2010

Raised Bill No. 141

LCO No. 181

00181_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

***AN ACT CONCERNING DISABILITY POLICY OFFSETS AND
DEPENDENT CHILDREN.***

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

1 Section 1. Section 38a-519 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2011*):

3 (a) No group health insurance policy [which] or plan that provides
4 disability income protection coverage, delivered, [or] issued for
5 delivery, amended, [or] renewed [,] or continued in this state, on or
6 after January 1, [1976] 2011, and no application, rider or endorsement
7 used in connection therewith shall contain an offset proviso, with
8 respect to disabilities that occur after such delivery, issuance for
9 delivery, renewal, amendment or continuance, that allows the insurer,
10 health care center or other entity issuing such policy or plan to reduce
11 its liability for disability income protection benefits under such policy
12 or plan, other than for benefits payable from other sources as a result
13 of the disability. No offset shall be changed to reflect any increase in
14 other disability benefits that occur on or after the date a claim
15 commences under such policy or plan. [No such policy in effect on
16 January 1, 1976, and no application, rider or endorsement used in

17 connection therewith shall after January 1, 1981, contain an offset
18 proviso. For the purposes of this section, an "offset proviso" means any
19 provision of an insurance policy which allows the insurer to reduce his
20 liability for loss or expense from sickness or from bodily injury of the
21 insured by reason of any increase in the disability benefits on or after
22 the date a claim commences under any such policy.]

23 (b) No such policy that contains an offset for disability benefits
24 received by the insured under the Social Security Act, as amended
25 from time to time, with respect to disabilities that occur after such
26 delivery, issuance for delivery, renewal, amendment or continuance,
27 shall include in such offset any disability benefits received under the
28 Social Security Act, as amended from time to time, by any dependent
29 child of the insured or received by such insured on behalf of such
30 dependent child.

31 (c) The provisions of this section shall not apply to any such policy
32 in force on January 1, 2011, that is subject to a rate guarantee until the
33 date such rate guarantee terminates.

34 Sec. 2. (NEW) (*Effective January 1, 2011*) (a) No individual health
35 insurance policy or plan that provides disability income protection
36 coverage, delivered, issued for delivery, amended, renewed or
37 continued in this state, on or after January 1, 2011, and no application,
38 rider or endorsement used in connection therewith shall contain an
39 offset proviso, with respect to disabilities that occur after such
40 delivery, issuance for delivery, renewal, amendment or continuance,
41 that allows the insurer, health care center or other entity issuing such
42 policy or plan to reduce its liability for disability income protection
43 benefits under such policy or plan, other than for benefits payable
44 from other sources as a result of the disability. No offset shall be
45 changed to reflect any increase in other disability benefits that occur on
46 or after the date a claim commences under such policy or plan.

47 (b) No such policy or plan that contains an offset for disability
48 benefits received by the insured under the Social Security Act, as

49 amended from time to time, with respect to disabilities that occur after
50 such delivery, issuance for delivery, renewal, amendment or
51 continuance, shall include in such offset any disability benefits
52 received under the Social Security Act, as amended from time to time,
53 by any dependent child of the insured or received by such insured on
54 behalf of such dependent child.

55 (c) The provisions of this section shall not apply to any such policy
56 in force on January 1, 2011, that is subject to a rate guarantee until the
57 date such rate guarantee terminates.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2011</i>	38a-519
Sec. 2	<i>January 1, 2011</i>	New section

Statement of Purpose:

To prohibit the inclusion, in a disability income protection coverage offset, of disability benefits received under the Social Security Act by any dependent child of an insured.

[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.]