



Substitute Senate Bill No. 141

Public Act No. 10-65

**AN ACT REQUIRING DISCLOSURE OF OFFSETS IN GROUP
LONG-TERM DISABILITY INSURANCE POLICIES.**

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

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 Section 38a-519 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2011*):

(a) No group health insurance policy [which] that provides disability income protection coverage, delivered, [or] issued for delivery, renewed, amended or [renewed,] continued in this state, [on or after January 1, 1976,] and no application, rider or endorsement used in connection therewith shall contain an offset proviso. [No such policy in effect on January 1, 1976, and no application, rider or endorsement used in connection therewith shall after January 1, 1981, contain an offset proviso.] For the purposes of this [section] subsection, an "offset proviso" means any provision of an insurance policy [which] that allows the insurer to reduce [his] its liability for loss or expense from sickness or from bodily injury of the insured by reason of any cost of living increase in [the] other disability benefits that occur [on or] after the date a claim commences under [any] such policy.

(b) For each group long-term disability income protection coverage policy delivered, issued for delivery, renewed, amended or continued

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in this state, that contains an offset, the insurer shall disclose to a policyholder in a separate document and in a conspicuous manner in not less than fourteen-point bold face type: (1) That the policy contains an offset; (2) that such offset will function to limit payments to an insured under the policy, taking into account Social Security disability benefits and other benefits the insured may receive; (3) for what other categories of benefits the policy will offset; (4) the per cent of income the policy covers and the maximum dollar limit of the policy, if applicable; and (5) at least one example showing how such offset will operate. Such disclosure shall include a statement that, if an eligible individual wants a policy that does not contain an offset, the individual may contact an insurance agent or company for an individual policy.

(c) The policyholder shall provide to each eligible individual the information and the statement required to be disclosed under subsection (b) of this section.

Approved May 18, 2010