

CHAPTER 116

Substitute for SENATE BILL No. 103*

AN ACT concerning insurance; relating to certain insurance policies issued to Kansas residents deployed in military service.

Be it enacted by the Legislature of the State of Kansas:

Section 1. As used in this act:

(a) "Adverse tier placement" means being subject to the rates of any tier with less coverage or higher premiums than the tier within which the insured is currently insured.

(b) "Federal government sponsored health insurance program" means the TriCare program providing coverage for civilian dependents of military personnel.

(c) "Health plan" means any insurance company or health maintenance organization which issues individual coverage to a resident of this state.

(d) "Individual coverage" means health insurance or health maintenance organization coverage issued on other than a group or blanket basis, including an individual coverage containing coverage for a spouse, dependent, or both.

(e) "Insureds" means persons enrolled under individual coverage issued by a health plan. Insureds includes persons covered under a policy of personal insurance.

(f) "Personal insurance" means private passenger automobile, motorcycle, mobile homeowners, homeowners, renters and non-commercial dwelling fire insurance policies and boat, personal watercraft, snowmobile and recreational vehicle policies.

Sec. 2. (a) No Kansas resident activated for military service, and no spouse or any dependents of such a resident who become eligible for a federal government sponsored health insurance program as a result of such activation, shall be denied reinstatement into the same individual coverage with the same health plan that such resident lapsed as a result of activation or becoming covered by the federal government sponsored health insurance program. Such resident will have the right to reinstatement in the same individual coverage without medical underwriting and in the same rating tier that the resident held prior to activation or becoming covered under the federal government sponsored health insurance program, subject to payment of the current premium charged to other persons of the same age and gender that are covered under the same individual coverage. Except in the case of birth or adoptions that occur during the period of activation, reinstatement must be into the same membership type, or a membership type covering fewer persons, as such resident held prior to lapsing the individual coverage, and at the same or higher deductible level. The reinstatement rights shall not be available to an insured or dependents if the activated person is discharged from the military under other than honorable conditions.

(b) The health plan with which the reinstatement is being requested must receive a request for such reinstatement no later than 30 days following the later of deactivation or loss of coverage under the federal government sponsored health insurance program. The health plan may request proof of loss and the timing of the loss of such government funded coverage in order to determine eligibility for reinstatement into the individual coverage. The effective date of the individual coverage will be first of the month following receipt of the notice requesting reinstatement.

(c) All health plans must provide written notice to the policyholder of individual coverage of the rights described in subsection (a) of section 2 and amendments thereto. In lieu of the inclusion of such notice in the individual coverage policy, an insurance company will satisfy the notification requirement by providing a single written notice either:

(1) To a policyholder enrolling into the individual coverage initially after the effective date of this act, in conjunction with the enrollment process; or

(2) by mailing written notice to policyholders whose coverage was effective prior to the effective date of this act no later than 90 days following the effective date of this act.

Sec. 3. The provisions of section 2, and amendments thereto, shall

not apply to any policy or certificate providing coverage for any specified disease, specified accident or accident-only coverage, credit, dental, disability income, hospital indemnity, long-term care, as defined by K.S.A. 40-2227, and any amendments thereto, medicare supplement, as defined by the commissioner of insurance by rules and regulations, vision care, short-term nonrenewable health policy or other limited-benefit supplemental insurance, nor any coverage issued as a supplement to any liability insurance, workers' compensation or similar insurance, or any insurance under which benefits are payable with or without regard to fault, whether written on a group, blanket or individual basis.

Sec. 4. Nothing herein shall require a health plan to reinstate such resident if the health plan requires residency in an enrollment area and those residency requirements are not met after deactivation or loss of coverage under the government-sponsored health insurance program.

Sec. 5. All terms, conditions and limitations of the individual coverage into which reinstatement is made, will apply equally to all insureds enrolled in such coverage.

Sec. 6. No personal insurance issued to a Kansas resident on active military deployment beyond the borders of the United States of America, or the spouse or any dependent of such Kansas resident, shall be subject to cancellation, non-renewal, premium increase or adverse tier placement for the term of their deployment based solely upon said Kansas resident's military deployment.

Sec. 7. The commissioner of insurance is hereby authorized to adopt such rules and regulations as may be necessary to carry out the provisions of this act.

Sec. 8. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 12, 2005.
