Sec. 38a-505-9. Accident and sickness minimum standards for benefits

The following minimum standards for benefits are prescribed for the categories of coverage noted in the following subsections. No individual policy of accident and sickness insurance or fraternal benefit society certificate shall be delivered or issued for delivery in this State which does not meet the required minimum standards for the specified categories unless the Commissioner finds that such policies or contracts are approvable as limited benefit health insurance and the outline of coverage complies with the appropriate outline in Section 38a-505-10 (K). Nothing in this section shall preclude the issuance of any policy or contract combining two or more categories of coverage such as hospital expense coverage and medical-surgical expense coverage.

(A) **General Rules.**

(1) A "non-cancellable," "guaranteed renewable," or "non-cancellable and guaranteed renewable" policy shall not provide for termination of coverage of the spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than non-payment of premium. The policy shall provide that in the event of the insured's death the spouse of the insured, if covered under the policy, shall become the insured.

(2) The terms "non-cancellable," "guaranteed renewable," or "non-cancellable and guaranteed renewable" shall not be used without further explanatory language in accordance with the disclosure requirements of Section 38a-505-10 (A) (1). The terms "non-cancellable" or "non-cancellable and guaranteed renewable" may be used only in a policy which the insured has the right to continue in force by the timely payment of premiums set forth in the policy until the age of sixty-five (65) or to eligibility for Medicare, during which period the insurer has no right to make unilaterally any change in any provision of the policy while the policy is in force; provided, however, any accident and health or accident only policy which provides for periodic payments, weekly or monthly, for a specified period during the continuance of disability resulting from accident or sickness may provide that the insured has the right to continue the policy only to age sixty (60) if, at age sixty (60), the insured has the right to continue the policy in force at least to age sixty-five (65) while actively or regularly employed. Except as provided above, the term "guaranteed renewable" may be used only in a policy which the insured has the right to continue in force by the timely payment of premiums until the age of sixty-five (65) or to eligibility for Medicare, during which period the insurer has no right to make unilaterally any change in any provision of the policy while the policy is in force, except as mandated by statute and except that the insurer may make changes in premium rates by classes; provided, however, any accident and health or accident only policy which provides for periodic payments, weekly or monthly, for a specified period during the continuance of disability resulting from accident or sickness may provide that the insured has the right to continue the policy only to age sixty (60) if at age sixty (60), the insured has the right to continue the policy in force at least to age sixty-five (65) while actively and regularly employed.

(3) In a family policy covering both husband and wife, the age of the younger spouse must be used as the basis for meeting the age and durational requirements of the definitions of "non-cancellable" or "guaranteed renewable." However, this requirement shall not prevent termination of coverage of the older spouse upon attainment of the stated age limit (e.g., age 65) so long as the policy may be continued in force as to the younger spouse to

the age or for the durational period as specified in said definition.

(4) When accidental death and dismemberment coverage is part of the insurance coverage offered under the contract, the insured shall have the option to include all insureds under such coverage and not just the principal insured.

(5) If a policy contains a status type military service exclusion or a provision which suspends coverage during military service, the policy shall provide, upon receipt of written request, for refund of premiums as applicable to such person on a pro rata basis.

(6) In the event the insurer cancels or refuses to renew, policies providing pregnancy benefits shall provide for an extension of benefits as to pregnancy commencing while the policy is in force and for which benefits would have been payable had the policy remained in force.

(7) Policies providing convalescent or extended care benefit following hospitalization shall not condition such benefits upon admission to the convalescent or extended care facility within a period of less than fourteen (14) days after discharge from the hospital.

(8) Family coverage shall continue for any dependent child who is incapable of self-sustaining employment due to mental retardation or physical handicap on the date that such child's coverage would otherwise terminate under the policy due to the attainment of a specified age limit for children and is chiefly dependent on the insured for support and maintenance. The policy may require that within 31 days of such date the company receive due proof of such incapacity in order for the insured to elect to continue the policy in force with respect to such child, or that a separate converted policy be issued at the option of the insured or policyholder.

(9) Any policy providing coverage for the recipient in a transplant operation shall also provide reimbursement of any medical expenses of a live donor to the extent that benefits remain and are available under the recipient's policy, after benefits for the recipient's own expenses have been paid.

(10) A policy may contain a provision relating to recurrent disabilities, provided, however, that no such provision shall specify that a recurrent disability be separated by a period greater than six (6) months.

(11) Accidental death and dismemberment benefits shall be payable if the loss occurs within ninety (90) days from the date of the accident, irrespective of total disability. Disability income benefits, if provided, shall not require the loss to commence less than thirty (30) days after the date of accident, nor shall any policy which the insurer cancels or refuses to renew require that it be in force at the time disability commences if the accident occurred while the policy was in force.

(12) Specific dismemberment benefits shall not be in lieu of other benefits unless the specific benefit equals or exceeds the other benefits.

(13) Any accident only policy providing benefits which vary according to the type of accidental cause shall prominently set forth in the outline of coverage the circumstances under which benefits are payable which are lesser than the maximum amount payable under the policy.

(14) All Medicare supplement policies providing in-hospital benefits only shall include in their provided benefits the initial Part A Medicare deductible as established from time to time by the Social Security Administration.

(15) Termination of the policy shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period the policy was in force may be predicated upon the continuous total disability of the insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits.

(B) **Basic Hospital Expense Coverage—**"Basic Hospital Expense Coverage" is a policy of accident and sickness insurance which provides coverage for a period of not less than thirty-one (31) days during any one period of confinement for each person insured under the policy for expense incurred for necessary treatment and services rendered as a result of accident or sickness for at least the following:

(1) Daily hospital room and board in an amount not less than the lesser of (a) 80% of the charges for semi-private room accommodations, or (b) $30.00 per day;

(2) Miscellaneous hospital services for expenses incurred for the charges made by the hospital for services and supplies which are customarily rendered by the hospital and provided for use only during any one period of confinement in an amount not less than either 80% of the charges incurred up to at least $1,000.00 or ten times the daily hospital room and board benefits; and

(3) Hospital outpatient services consisting of (a) hospital services on the day surgery is performed, and (b) hospital services rendered within seventy-two (72) hours after accidental injury, in an amount not less than $50.00, and (c) X-ray laboratory tests to the extent that benefits for such services would have been provided to an extent not less than $100.00 if rendered to an in-patient of the hospital.

(4) Benefits provided under (1) and (2) above may be provided subject to a combined deductible amount not in excess of $100.00.

(C) **Basic Medical-Surgical Expense Coverage—**"Basic Medical-Surgical Expense Coverage" is a policy of accident and sickness insurance which provides coverage for each person insured under the policy for the expenses incurred for the necessary services rendered by a physician for treatment of an injury or sickness for at least the following:

(1) Surgical services:

(a) In amounts not less than those provided on a fee schedule based on an acceptable relative value scale of surgical procedures, such as the 1964 California Relative Value Schedule, up to a maximum of at least $500.00 for any one procedure; or

(b) Not less than 80% of the reasonable charges.

(2) Anesthesia services, consisting of administration of necessary general anesthesia and related procedures in connection with covered surgical service rendered by a physician other than the physician (or his assistant) performing the surgical service:

(a) In an amount not less than 80% of the reasonable charges; or

(b) 15% of the surgical service benefit.

(3) In-hospital medical services, consisting of physician services rendered to a person who is a bed patient in a hospital for treatment of sickness or injury other than that for which surgical care is required, in an amount not less than 80% of the reasonable charges; or $5.00 per day for not less than twenty-one (21) days during one period of confinement.

(D) **Hospital Confinement Indemnity Coverage—**"Hospital Confinement Indemnity Coverage" is a policy of accident and sickness insurance which provides daily benefits for

hospital confinement on an indemnity basis in an amount not less than $30.00 per day and not less than thirty-one (31) days during any one period of confinement for each person insured under the policy.

(E) **Major Medical Expense Coverage—**"Major medical expense coverage" is an accident and sickness insurance policy which provides hospital, medical and surgical expense coverage, to an aggregate maximum of not less than $10,000.00; copayment by the covered person not to exceed 25% of covered charges; a deductible stated on a per person, per family, per illness, per benefit period, or per year basis, or a combination of such bases not to exceed 5% of the aggregate maximum limit under the policy, unless the policy is written to complement underlying hospital and medical insurance in which case such deductible may be increased by the amount of the benefits provided by such underlying insurance, for each covered person for at least:

(1) Daily hospital room and board expenses, prior to application of the copayment percentage, for not less than $50.00 daily (or in lieu thereof the average daily cost of semi-private room rate in the area where the insured resides) for a period of not less than 31 days during continuous hospital confinement;

(2) Miscellaneous hospital services, prior to application of the copayment percentage, for an aggregate maximum of not less than $1,500 or 15 times the daily room and board rate if specified in dollar amounts;

(3) Surgical services, prior to application of the copayment percentage, to a maximum of not less than $600 for the most severe operations with the amounts provided for other operations reasonably related to such maximum amount;

(4) Anesthesia services, prior to application of the copayment percentage, for a maximum of not less than 15 percent of the covered surgical fees or alternatively, if the surgical schedule is based on relative values, not less than the amount provided therein for anesthesia services at the same unit value as used for the surgical schedule;

(5) In-hospital medical services, prior to the application of the copayment percentage, as defined in subdivision (C) (3) of Section 38a-505-9;

(6) Out-of-hospital care, prior to application of the copayment percentage, consisting of physician's services rendered on an ambulatory basis where coverage is not provided elsewhere in the policy for diagnosis and treatment of sickness or injury; and diagnostic X-ray, laboratory services, radiation therapy, and hemodialysis ordered by a physician; and

(7) Not fewer than three of the following additional benefits, prior to application of the copayment percentage, for an aggregate maximum of such covered charges of not less than $1,000;

(a) In-hospital private duty graduate registered nurse services;

(b) Convalescent nursing home care;

(c) Diagnosis and treatment by a radiologist or physiotherapist;

(d) Rental of special medical equipment, as defined by the insurer in the policy;

(e) Artificial limbs or eyes, casts, splints, trusses or braces;

(f) Treatment for functional nervous disorders, and mental and emotional disorders;

(g) Out-of-hospital prescription drugs and medications.

(F) **Disability Income Protection Coverage—**"Disability income protection coverage" is a policy which provides for periodic payments, weekly or monthly, for a specified period

during the continuance of disability resulting from either sickness or injury or a combination thereof which:

(1) Provides that periodic payments which are payable at ages after 62 and reduced solely on the basis of age are at least 50% of amounts payable immediately prior to 62.

(2) Contains an elimination period no greater than:

(a) Ninety (90) days in the case of a coverage providing a benefit period of one (1) year or less;

(b) One hundred and eighty (180) days in the case of coverage providing a benefit of more than one year but not greater than two years, or

(c) Three hundred and sixty-five (365) days in all other cases during the continuance of disability resulting from sickness or injury.

(3) Has a maximum period of time for which it is payable during disability of at least six (6) months except in the case of a policy covering disability arising out of pregnancy, childbirth, or miscarriage in which case the period for such disability may be one (1) month. No reduction in benefits shall be put into effect because of an increase in Social Security or similar benefits during a benefit period. Section 38a-505-9 (F) does not apply to those policies providing business buyout coverage.

(G) **Accident Only Coverage—**"Accident only coverage" is a policy of accident insurance which provides coverage, singly or in combination, for death, dismemberment, disability, or hospital and medical care caused by accident. Accidental death and double dismemberment amounts under such a policy shall be at least $1,000.00 and a single demberment amount shall be at least $500.00.

(H) **"Specified Accident Coverage"** is an accident insurance policy which provides coverage for a specifically identified kind of accident (or accidents) for each person insured under the policy for accidental death or accidental death and dismemberment combined, with a benefit amount not less than $1,000.00 for accidental death; $1,000.00 for double dismemberment and $500.00 for single dismemberment.

(I) **"Limited Benefit Health Insurance Coverage"** is any policy or contract which provides benefits that are less than the minimum standards for benefits required under Sections 38a-505-7 (B), (C), (D), (E), (F), (G) and (H). Such policies or contracts may be delivered or issued for delivery in this state only if the outline of coverage required by Section 38a-505-10 (K) is completed and delivered as required by Section 38a-505-10 (B).

(Effective September 25, 1992)