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SENATE BILL NO. 646

Offered January 20, 2012

A *BILL to amend and reenact §§ 38.2-102 and 38.2-109 of the Code of Virginia, relating to insurance benefits; child care and educational expenses.*

Patron—McEachin

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That §§ 38.2-102 and 38.2-109 of the Code of Virginia are amended and reenacted as follows:****§ 38.2-102. Life.**

A. "Life insurance" means insurance upon the lives of human beings. "Life insurance" includes policies that also provide (i) endowment benefits; (ii) additional benefits, *including benefits for child care expenses, educational expenses, or other expenses necessary for the support and maintenance of the insured's immediate family*, in the event of death, dismemberment, or loss of sight by accident or accidental means; (iii) additional benefits to safeguard the contract from lapse or to provide a special surrender value, a special benefit or an annuity, in the event of total and permanent disability of the insured; and (iv) optional modes of settlement of proceeds. As used in this title, unless the context requires otherwise, "life insurance" shall be deemed to include "credit life insurance," "industrial life insurance," "variable life insurance" and "modified guaranteed life insurance."

B. "Life insurance" also includes additional benefits to provide for educational loans, subject to the provisions of § 38.2-3113.3.

C. "Life insurance" also includes additional benefits providing specified disease coverage or limited benefit health coverage, subject to compliance with the minimum standards established by the Commission for such benefits pursuant to § 38.2-3519. Such additional benefits may be combined in an individual policy, or added as a rider to the policy, provided that the insurer offering such additional benefits is licensed to transact the business of accident and sickness insurance and complies with the rate and form filing requirements of the Commission's rules governing the filing of rates for individual and certain group accident and sickness insurance policy forms (14 VAC 5-130-10 et seq.), as amended.

§ 38.2-109. Accident and sickness.

A. "Accident and sickness insurance" means insurance against loss resulting from sickness, or from bodily injury or death by accident or accidental means, or from a combination of any or all of these perils. *"Accident and sickness insurance" may provide additional benefits including additional benefits for child care expenses or educational expenses in the event the insured suffers such a loss.* As used in this title, unless the context requires otherwise, the term "accident and sickness insurance" shall be deemed to include "credit accident and sickness insurance."

B. The term "accident and sickness insurance" shall also include agreements insuring against losses resulting from health care claims or expenses of health care in excess of a specific or aggregate dollar amount, when such agreements are used to provide coverage to (i) an employee welfare benefit plan or any other plan providing accident and sickness benefits, (ii) a health maintenance organization, or (iii) a provider associated with a managed care network, provided:

1. The agreement clearly discloses the extent and duration of the liability assumed by the insurer once the policyholder's liability has been exceeded; and

2. The insurer maintains reserves in accordance with § 38.2-1314 for the liability it assumes under the agreement.

Such agreements shall not be subject to the requirements of Chapters 34 (§ 38.2-3400 et seq.) and 35 (§ 38.2-3500 et seq.) of this title.

INTRODUCED

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