

1 **INSURANCE AMENDMENTS - ADOPTION**

2 **INDEMNITY BENEFIT**

3 2006 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Merlynn T. Newbold**

6 Senate Sponsor: Carlene M. Walker

8 **LONG TITLE**

9 **General Description:**

10 This bill clarifies the adoption indemnity benefits in the Insurance Code.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ clarifies that the requirements for adoption indemnity benefits in health insurance
14 policies establishes the minimum requirements and does not prohibit an insurer
15 from offering greater benefits.

16 **Monies Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **31A-22-610.1**, as last amended by Chapter 98, Laws of Utah 2004

24 *Be it enacted by the Legislature of the state of Utah:*

25 Section 1. Section **31A-22-610.1** is amended to read:

26 **31A-22-610.1. Adoption indemnity benefit.**

27 (1) (a) (i) If an insured has coverage for maternity benefits on the date of an adoptive
28 placement, the insured's policy shall provide an adoption indemnity benefit payable to the
29 insured, if a child is placed for adoption with the insured within 90 days of the child's birth. If

30 more than one child from the same birth is placed for adoption with the insured, only one
31 adoption indemnity benefit is required.

32 (ii) This section does not prevent an accident and health insurer from:

33 (A) adjusting the benefit payable under this section for cost sharing measures imposed
34 under the policy or contract for maternity benefit coverage[-]; or

35 (B) providing additional adoption indemnity benefits including:

36 (I) extending the period of time after birth in which a child must be placed with an
37 insured; or

38 (II) providing a benefit in excess of the amount specified in Subsection (1)(c).

39 (b) An insurer that has paid the adoption indemnity benefit under Subsection (1)(a)
40 may seek reimbursement of the benefit if:

41 (i) the postplacement evaluation disapproves the adoption placement; and

42 (ii) a court rules the adoption may not be finalized because of an act or omission of an
43 adoptive parent or parents that affects the child's health or safety.

44 (c) The amount of the adoption indemnity benefit provided under Subsection (1) is
45 \$4,000 subject to the adjustments permitted by Subsection (1)(a)(ii).

46 (d) Each insurer shall pay its pro rata share of the adoption indemnity benefit if each
47 adoptive parent:

48 (i) has coverage for maternity benefits with a different insurer; and

49 (ii) makes a claim for the adoption indemnity benefit provided in Subsection (1)(a).

50 (2) If a policy offers optional maternity benefits, it shall also offer coverage for
51 adoption indemnity benefits if:

52 (a) a child is placed for adoption with the insured within 90 days of the child's birth;
53 and

54 (b) the adoption is finalized within one year of the child's birth.

55 (3) If an insured qualifies for the adoption indemnity benefit under this section and
56 receives services from a health care provider under contract with his insurer, the contracting
57 health care provider may only collect from the insured the amount that the contracting health

58 care provider is entitled to receive for such services under the contract, including any
59 applicable copayment.

60 (4) For purposes of this section, "contracting health care provider" means:

61 (a) a "participating provider" as defined in Section 31A-8-101; or

62 (b) a "preferred health care provider" as described in Section 31A-22-617.