



EMPLOYEE BENEFITS BULLETIN

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Health Insurance Coverage for Adult Children

Act 4 of 2009 (Senate Bill 189), which was signed into law by Governor Edward G. Rendell on June 10, 2009, expands health insurance coverage for children of insured parents. It allows adults up to age 30, under certain conditions, to remain covered by their parents' health insurance.

Those eligible children are

- unmarried
- have no dependents
- are residents of the commonwealth or enrolled as a full-time student at an institution of higher education and
- are not provided private insurance coverage or enrolled in, or eligible for, government benefits.

The coverage expansion occurs at the discretion of the employer and does not preclude an increase in premiums related to covering children for these additional years.

The law applies to new health contracts and renewals occurring 180 days (six months) after June 10, 2009, and then on a rolling basis as contracts are made or renewed.

So, for example, since the bill was signed in June of 2009, if a policy is issued or renewed in January 2010, the provision will kick in with that January 2010 issuance or renewal.

Policies that are issued or renewed less than six months after signing will wait until next year. For example, if a policy is issued or renewed in July 2009, the provision will not kick in until the renewal of that policy in July 2010.

This timing provision gives insurers time to revise their policies to be consistent with this new requirement.

Prior to this law, insurance companies were only required to cover children on their parents' insurance until the age of 19, if the employer offered dependent coverage. At the current time, almost 40 percent of those who are uninsured in Pennsylvania are between the ages of 19 to 29.

The Employee Benefits Bulletin is designed to highlight various employee benefit matters of general interest to our readers. It is not intended to interpret laws, regulations or to address specific client situations.