



STATE OF VERMONT
DEPARTMENT OF BANKING AND INSURANCE
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ORIGINAL

DIVISIONS OF:
BANKING
INSURANCE
SECURITIES

BULLETIN NO. 54 (Revised)

April 22, 1981

RE: COVERAGE FOR PREGNANCY AND PREGNANCY-RELATED CONDITIONS:
EMPLOYER-PROVIDED HEALTH BENEFITS

The Vermont Attorney General has interpreted 21 V.S.A. § 495 to require that any employer-provided health benefits plan must include benefits for pregnancy and pregnancy-related conditions.

This interpretation is in keeping with the directives of Public Law 95-555 (the so-called "Pregnancy Discrimination Act of 1978"), which requires an employer of fifteen or more employees to include coverage for pregnancy in any health benefits plan made available in connection with employment, on the same basis as other medical conditions.

The Attorney General has similarly interpreted 21 V.S.A. § 495 to require the same treatment of employer-provided benefits as that directed by Public Law 95-555. Vermont law, as it is interpreted, therefore requires that if health benefits are made available by an employer, those benefits must include provision for pregnancy and pregnancy-related conditions. This applies regardless of who funds the benefits (or who pays the premiums), and irrespective of the number of employees.

Accordingly, please be advised that this office expects all insurers doing business in this state to advise its employer/insureds, when appropriate, as to the requirements of both federal and state law in this area, if they have not already done so.

Clearly it is the employer who must comply with these requirements and not the insurer. However, in the context of a sale of an insurance policy covering employee benefits, if an insurer should erroneously advise its employer/insured as to the above-described required benefit, and the employer/insured relies on that incorrect advice and purchases an insurance plan on that basis, it may be grounds for this office to treat this as a sale of an "unsuitable policy" within the meaning of 8 V.S.A. § 4724(16) or as "unfair discrimination" within the meaning of 8 V.S.A. § 4724(7)(A).


George A. Chaffee
Commissioner