

Vermont . . .Department of Banking, Insurance,
Securities and Health Care Administration**Insurance Bulletin 127:****Implementation of Vermont Act 91 with Respect to Property and Casualty Insurance: Civil Unions
Mandatory Endorsement and Related Issues for Insurers (12/1/00)**

Effective January 1, 2001, all policies and contracts must be in compliance with Act 91 of the 2000 Legislative Session, Vermont's new "Act Relating to Civil Unions." Section 17 of Act 91 requires that insurance contracts and policies offered to married couples, spouses and families also be made available to civil union couples, parties to the civil union and their families. The Act requires that the Commissioner adopt rules necessary to carry out the purposes of the law. On November 15, 2000, the Department filed a final proposed regulation No. 2000-01-IH relating to civil unions that will take effect January 1, 2001. Additionally, the Department, in cooperation with the Vermont Department of Taxes, is preparing a "Frequently Asked Questions" publication for parties to civil unions.

This new law authorizes the Commissioner to adopt, by Order, standards and a process to bring currently approved forms into compliance with Vermont law. The Commissioner will issue an Order (a draft of the Order is attached) effective January 1, 2001 requiring all property and casualty insurers to adopt the attached "Vermont Changes: Property/Casualty Civil Unions" endorsement or file, for approval, an alternative endorsement that complies with Act 91, for all policies, contracts, certificates, riders and endorsements subject to regulation by the Commissioner. Unless it is otherwise determined that specific forms need to be amended and filed for approval, insurers adopting the "Vermont Changes: Property/Casualty - Civil Unions" endorsement (the attached endorsement is the final version adopted by the Department) need not make form changes or submit a form filing specific to Act 91. If insurers choose to make specific form changes, these must be filed for approval. Insurers who are members of insurance rating organizations may use the Insurance Services Organization (ISO) endorsements that have been approved by the Department or the approved forms of any other insurance rating organization, in lieu of the mandatory endorsement. The approved ISO endorsements amend the current editions of ISO forms approved in Vermont and should not be utilized unless the insurer is using those forms. If an insurer chooses to use an approved form filed by an insurance rating organization, standard requirements for filing with the Department will apply. Insurers are responsible for ensuring that the approved endorsement they select is compatible with their policy or contract forms.

An endorsement approved by the Department must be attached to all policies, contracts, certificates, riders and endorsements offered, issued, renewed or delivered in the state of Vermont. Insurers are allowed to include these endorsements with their renewals during 2001. For all contracts and policies that do not contain a renewal date, the contract or policy must be endorsed on the first anniversary of the policy effective date that occurs in 2001. For example, a contract or policy with an effective date of March 1, 1998 must be endorsed by March 1, 2001. If an insured requests that their policy be amended to comply with Act 91, the insurer shall promptly endorse or amend the contract using a form approved by the Department. Effective January 1, 2001, all property and casualty insurance policies and contracts shall be interpreted to provide equivalent benefits for married couples, civil union couples, and their families, whether or not they have been physically endorsed or amended at the time a claim is made.

An unofficial version of the full text of the Act is available at the web site of the Vermont State Legislature, at <http://www.leg.state.vt.us/docs/2000/acts/ACT091.HTM>. A copy of the proposed regulation and other information regarding civil unions is available at the Department's website at <http://bishca.state.vt.us>.

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Frank Romano, Acting Commissioner

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- 1 -

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Department of Banking, Insurance,
Securities and Health Care Administration

IN RE: AMENDMENT OR ENDORSEMENT OF INSURANCE POLICIES AND CONTRACTS TO COMPLY WITH VERMONT LAW REGARDING CIVIL UNIONS

ORDER

WHEREAS, Act 91 of the 2000 Legislative Session, Vermont’s “Act Relating to Civil Unions” was enacted into law on April 26, 2000; and

WHEREAS, the provisions of Act 91 relating to insurance take effect January 1, 2001; and

WHEREAS, Section 17 of Act 91 prohibits insurers from engaging in unfair discrimination between married couples and civil union couples and requires that the Commissioner promulgate rules to ensure that insurance policies and contracts offered to married couples, spouses, and their families also be made available to parties to a civil union and their families; and

WHEREAS, Section 18 of Act 91 requires that health insurers provide dependent coverage to parties to a civil union that is equivalent to that provided to married insureds and that individual and group health insurance policies that provide coverage to a spouse or family member of an insured also provide the equivalent coverage for a party to a civil union; and

WHEREAS, the Commissioner has adopted Regulation 2000-01-IH, effective January 1, 2001, which addresses unfair discrimination by insurers against parties to a civil union; and

WHEREAS, the Commissioner, pursuant to Section 17 of Act 91, may adopt by Order standards and a process, which may differ from current Vermont law, for filing and approval of forms, to bring the forms currently on file and approved by the Department into compliance with Vermont law; and

NOW THEREFORE, the Commissioner issues this Order to implement Act 91 and Regulation 2000-01-IH.

1. Effective January 1, 2001, all insurance policies and contracts solicited, delivered, issued, or renewed in the state of Vermont shall be in compliance with Act 91 and Regulation 2000-01-IH. Such policies and contracts, with the exception of annuities, shall be considered amended through operation of law to provide equivalent benefits for married persons and parties to a civil union, and their families.
2. All insurers shall adopt the Vermont Mandatory Civil Unions Endorsement applicable to property and casualty insurance, life insurance, or health insurance for use with those policies and contracts (attached hereto) or file, for approval, an alternative endorsement that complies with Act 91 and Regulation 2000-01-IH. Unless it is otherwise determined that specific forms need to be amended and filed for approval, insurers adopting a mandatory endorsement need not make form changes or submit a form filing specific to Act 91 and Regulation 2000-01-IH. If an insurer chooses to make specific form changes, these forms shall be filed for approval

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3. All insurance policies and contracts, with the exception of annuities, shall be physically endorsed or amended in 2001 to comply with Act 91 and Regulation 2000-01-IH. Such amendment or endorsement shall be included in all policies and contracts issued or renewed on or after January 1, 2001. All contracts and policies that do not contain a renewal date shall be amended or endorsed to bring the policy or contract into compliance with Act 91 and Regulation 2000-01-IH on the first anniversary of the policy effective date following January 1, 2001. For example, a life insurance policy issued on March 1, 1965 or March 1, 1975 shall be amended or endorsed on or before March 1, 2001.

4. If an insured requests that their policy or contract be amended to comply with Act 91, the insurer shall promptly endorse or amend the policy or contract, except annuities, using a form approved by the Department.

Dated at Woodstock, Vermont, this 1st day of January, 2001.


Elizabeth R. Costle, Commissioner

Vermont Changes: Property / Casualty – Civil Union

This endorsement is part of the policy to which it is attached and provides benefits under the policy for parties to a civil union. Vermont law requires that insurance policies offered to married persons and their families be made available to parties to a civil union and their families. In order to receive benefits in accordance with this endorsement, the civil union must be established in the state of Vermont according to Vermont law.

It is understood that policy definitions and provisions designating

- **an insured**
- **named insured**
- **who is insured**
- **who is an insured**
- **who is a named insured**
- **covered person(s)**
- **you and / or your**
- **spouse**
- **family member**

and any other policy definitions and provisions designating an insured under this policy, are amended, wherever appearing, where terms denoting a marital relationship or family relationship arising out of a marriage are used, to include parties to a civil union and their families under Vermont law.