

BULLETIN #96

SEPTEMBER 27, 1989

MATERNITY COVERAGE

On October 1, 1989, the Maternity Coverage Regulation #89-1 becomes effective for all new policies of health insurance written in Vermont. The Regulation also applies to existing business becoming effective on policy anniversary dates.

The Regulation generally provides that maternity coverage shall be made part of all health insurance policies on a non-discriminatory basis. A number of insurers have maternity endorsements which were previously reviewed and approved by the Department. These endorsements may be used by insurers to meet the coverage requirement. For insurers who do not have an approved filing, maternity coverage nonetheless applies to new policies after October 1, 1989 and to existing policies on anniversary dates.

If an insurer has a filed maternity endorsement but it does not provide coverage equal to coverage provided for any other condition, it can not be used to satisfy the demands of this Regulation.

If an insurer does not have an approved maternity endorsement which provides coverage equal to coverage provided for any other condition or if their forms do not provide maternity coverage as any other medical condition, they should make filings with the Department as soon as possible so that their forms are in compliance with the Regulation.

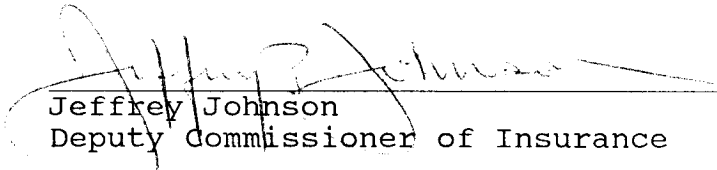
In an effort to provide a smooth transition and to assist insurers into coming into compliance with this Regulation, insurers may continue to use existing forms under the following circumstances:

- (1) The Department is notified in writing within thirty (30) days of your use of existing forms.
- (2) You state that you will deem existing forms to include the maternity coverage required by the Regulation.
- (3) You notify your existing insureds in writing within thirty (30) days that their policy forms will now include coverage for maternity conditions as any other condition.
- (4) You make a filing to bring your forms into compliance by November 15, 1989.

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Insurers may charge existing rates for maternity coverage provided the premiums charged for men and women are identical. Since existing rates may prove to be excessive given the cost-spreading aspect of the Regulation, the Department will review rates charged for maternity coverage and may, if evidence warrants, require rate reductions. All maternity rates must be filed for approval prior to November 15, 1989 even if this Department has granted approval of those rates previously. Companies will be required to justify rates charged for maternity coverage.

Please contact Roger L. Lever at 802-828-3301, if you have any questions.



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Deputy Commissioner of Insurance