
ENGROSSED HOUSE BILL 2837

State of Washington

54th Legislature

1996 Regular Session

By Representatives Dyer, Cody and Murray; by request of Insurance Commissioner

Read first time 01/22/96. Referred to Committee on Health Care.

1 AN ACT Relating to the definition of medicare supplemental
2 insurance or medicare supplement insurance policy; amending RCW
3 48.66.020; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 48.66.020 and 1995 c 85 s 1 are each amended to read
6 as follows:

7 Unless the context clearly requires otherwise, the definitions in
8 this section apply throughout this chapter.

9 (1) "Medicare supplemental insurance" or "medicare supplement
10 insurance policy" refers to a group or individual policy of disability
11 insurance or a subscriber contract of a health care service contractor,
12 a health maintenance organization, or a fraternal benefit society,
13 which relates its benefits to medicare, or which is advertised,
14 marketed, or designed primarily as a supplement to reimbursements under
15 medicare for the hospital, medical, or surgical expenses of persons
16 eligible for medicare. Such term does not include:

17 (a) ~~((A policy or contract of one or more employers or labor
18 organizations, or of the trustees of a fund established by one or more
19 employers or labor organizations, or combination thereof, for employees~~

1 ~~or former employees, or combination thereof, or for members or former~~
2 ~~members, or combination thereof, of the labor organizations; or~~

3 (~~b~~)) A policy issued pursuant to a contract under Section 1876
4 (~~or Section 1833~~) of the federal social security act (42 U.S.C. Sec.
5 1395 et seq.), or an issued policy under a demonstration (~~project~~
6 ~~authorized pursuant to amendments to the federal social security act~~)
7 specified in 42 U.S.C. Sec. 1395ss(g)(1); or

8 (~~(e)~~) (b) Insurance policies or health care benefit plans,
9 including group conversion policies, provided to medicare eligible
10 persons, that are not marketed or held to be medicare supplement
11 policies or benefit plans.

12 (2) "Medicare" means the "Health Insurance for the Aged Act," Title
13 XVIII of the Social Security Amendments of 1965, as then constituted or
14 later amended.

15 (3) "Medicare eligible expenses" means health care expenses of the
16 kinds covered by medicare, to the extent recognized as reasonable and
17 medically necessary by medicare.

18 (4) "Applicant" means:

19 (a) In the case of an individual medicare supplement insurance
20 policy or subscriber contract, the person who seeks to contract for
21 insurance benefits; and

22 (b) In the case of a group medicare supplement insurance policy or
23 subscriber contract, the proposed certificate holder.

24 (5) "Certificate" means any certificate delivered or issued for
25 delivery in this state under a group medicare supplement insurance
26 policy.

27 (6) "Loss ratio" means the incurred claims as a percentage of the
28 earned premium computed under rules adopted by the insurance
29 commissioner.

30 (7) "Preexisting condition" means a covered person's medical
31 condition that caused that person to have received medical advice or
32 treatment during a specified time period immediately prior to the
33 effective date of coverage.

34 (8) "Disclosure form" means the form designated by the insurance
35 commissioner which discloses medicare benefits, the supplemental
36 benefits offered by the insurer, and the remaining amount for which the
37 insured will be responsible.

38 (9) "Issuer" includes insurance companies, health care service
39 contractors, health maintenance organizations, fraternal benefit

1 societies, and any other entity delivering or issuing for delivery
2 medicare supplement policies or certificates to a resident of this
3 state.

4 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
5 preservation of the public peace, health, or safety, or support of the
6 state government and its existing public institutions, and shall take
7 effect immediately.

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