



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Sean Dilweg, Commissioner

Wisconsin.gov

125 South Webster Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: ociinformation@wisconsin.gov
Web Address: oci.wi.gov

Frequently Asked Questions Regarding Coverage of Dependents, under s. 632.885, Stat., and s. Ins 3.34, Wis. Adm. Code

1. Q. What types of insurance policies must comply with s. 632.885, Stat., pertaining to coverage of dependents?
 - A. The law applies to disability insurance policies as defined in s. 632.895 (1) (a), Stat., including individual and group health benefit plans, and self-insured health plans of the state, a county, city, village, town, and school district. The law applies to limited-scope plans including vision and dental plans but does not include hospital indemnity, income continuation, accident-only, long-term care and Medigap policies.
2. Q. Who must be considered a dependent under s. 632.885, Stat.?
 - A. The law requires insurers and self-insured governmental plans to offer and, if requested by the applicant or insured, provide coverage for an adult child of the applicant or insured as a dependent if the child is over 17 but less than 27 years of age, the child is not married, and the child is not eligible for coverage, or whose employer does not offer coverage, under his or her employer's group health benefit plan for which the amount of the child's premium contribution is no greater than the premium amount for his or her coverage as a dependent under his or her parent's plan.
3. Q. Are there additional individuals who must be considered dependents?
 - A. Yes, the coverage requirement also applies to an adult child who returns from active duty to school as a full-time student, regardless of age, if the child was under age 27 and attending an institution of higher education on a full-time basis when called to federal active duty in the National Guard or in a reserve component of the U.S. armed forces
4. Q. What two premium amounts must be compared to determine if an adult child meets the eligibility standard in s. 632.885 (2) (a) 3., Stat.?
 - A. Section Ins 3.34 (4), Wis. Adm. Code, states that the insurer or self-insured governmental health plan may only compare the amount the adult child is required to pay for coverage under the adult child's employer-sponsored group health benefit plan or self-insured health plan to the additional premium amount the applicant or insured is required to pay for adding the adult child to the applicant's or insured's health insurance policy or self-insured governmental health plan.

5. Q. What are the enrollment rights for individuals who become eligible adult children under s. 632.885, Stat., on or after January 1, 2010?

A. Section Ins 3.34 (5) (d) 4., Wis. Adm. Code, requires insurers and self-insured governmental health plans to provide at least a 30-day enrollment period for an adult child to be added to his or her parent's policy or self-insured plan when first eligible. For group policies, adult children who apply for coverage after the initial enrollment period can be treated as late enrollees. Insurers and self-insured governmental health plans must also comply with the preexisting condition waiting period and group portability requirements in ss. 632.76 (2) (ac) 2., and 632.746, Stat., as applicable.

6. Q. Can an employee under a group policy or the primary insured under an individual policy choose not to enroll an adult child as a dependent on the applicant's or insured's policy?

A. Yes, s. Ins 3.34 (5) (a), Wis. Adm. Code, states that it is solely the applicant's or insured's decision whether or not to add an adult child to the parent's policy.

7. Q. Can an insurer charge an adult child a premium rate based on his or her age?

A. No, an insurer or self-insured governmental plan must determine the premium for coverage of a dependent who is over 18 years of age on the same basis as a dependent who is 18 years of age or younger.

8. Q. Can insurers of individual policies underwrite and deny coverage, charge a higher premium rate or add an elimination rider to the coverage of an eligible adult child due to the child's medical history or health status?

A. Section Ins 3.34 (5) (c), Wis. Adm. Code, states insurers may not deny coverage to an eligible adult child under an individual insurance policy, but may individually rate the eligible adult child and/or apply elimination riders to the coverage of the eligible adult child, provided the limitations do not result in coverage that is illusory.

9. Q. Must an eligible adult child be a resident of Wisconsin in order to be covered as a dependent on his or her parent's plan under s. 632.885, Stat.?

A. No, s. Ins 3.34 (5) (b) 2., Wis. Adm. Code, states an insurer or self-insured governmental plan may not limit or otherwise restrict the offer of coverage to an adult child by requiring the adult child to reside in this state.

10. Q. Can an insurer or self-insured plan require an adult child to have been originally covered under the policy or plan as a dependent to be eligible for coverage under s. 632.885, Stat.?

A. No, s. Ins 3.34 (5) (b) 1., Wis. Adm. Code, states an insurer or self-insured plan may not limit or otherwise restrict the offer of coverage to an adult child by requiring the adult child to have been previously covered as a dependent.

11. Q. Is there a time limit for an unmarried child returning from active duty in the National Guard or in a reserve component of the U.S. armed forces to return to school as a full-time student and be eligible for coverage as a dependent under the child's parent's policy?

A. Yes, s. Ins 3.34 (6) (b) 1., Wis. Adm. Code, requires an adult child to apply to an institution of higher education as a full-time student within 12 months from the date the adult child has fulfilled his or her active duty obligation.

12. Q. Is an eligible adult child, over age 27, who is called to active duty a second time while attending school as a full-time student, eligible for coverage as a dependent when he or she returns to school after active duty?

A. Yes, s. Ins 3.34 (6) (b) 2., Wis. Adm. Code, requires an insurer or self-insured plan to use the adult child's age when first called to active duty for determining eligibility under s. 632.885 (2) (b), Wis. Stat.

13. Q. Does an applicant or insured again get to choose whether to request coverage for an adult child returning from active duty and who is eligible under s. 632.885 (2) (b), Stat., if the applicant or insured did not originally request coverage for the adult child when first eligible under s. 632.885 (2) (a), Stat.?

A. Yes, s. Ins 3.34 (5) (b) 4., Wis. Adm. Code, states an insurer or self-insured plan may not limit or otherwise restrict the offer of coverage to an adult child by requiring the applicant or insured to have requested coverage for an eligible adult child the first time the child was eligible for coverage.

14. Q. Section 632.885 (2) (a) 3., Stat., references an adult child's coverage under a "group health benefit plan" that is offered by the child's employer but does not reference an adult child's coverage under his or her employer's self-insured plan. Does this mean that an adult child is not eligible for coverage under his or her parent's policy or plan even if the adult child's contribution amount for coverage under his or her employer's self-funded health plan is more than the additional amount the applicant or insured is required to pay for adding the adult child under the applicant's or insured's health insurance policy or self-insured plan?

A. No, under s. Ins 3.34 (3) (b), Wis. Adm. Code, an adult child's premium contribution is defined to include his or her premium contribution under either the adult child's employer sponsored group health benefit plan or self-insured health plan.

15. Q. How often can an insurer or self-insured governmental plan require the applicant or insured to provide documentation that the adult child meets the requirements to be considered a dependent?

A. An insurer or self-insured governmental plan can require the applicant or insured to provide written documentation, initially and annually thereafter, that the child satisfies the requirements to be considered a dependent.