

*State of Idaho*  
**DEPARTMENT OF INSURANCE**

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WILLIAM W. DEAL  
Director

**Bulletin No. 07-6**

**DATE:** May 11, 2007

**TO:** Insurance Carriers and Producers Selling Small Group  
and Individual Health Insurance Plans in Idaho

**FROM:** William W. Deal, Director

**SUBJECT:** Notice Regarding New Dependent Age Limits  
Set Forth in Senate Bill 1105

Senate Bill 1105 amended the definition of "dependent" in Idaho Code Sections 41-2103, 41-4703, 41-5203, 41-5501 and 63-3022K to increase the minimum age for unmarried dependents from 19 to 21, and from age 23 to 25 for a full time student who is financially dependent upon the parent. The Department has received a number of inquiries regarding the effective date of these changes and how they should be implemented.

The effective date of SB 1105 is July 1, 2007. As of that date, Idaho law will require that any individual health insurance contract subject to Chapters 21, 52 or 55, Title 41, Idaho Code, and any small employer health insurance contract subject to Chapter 47, Title 41, Idaho Code, that provides coverage for dependents be interpreted to include unmarried children under the age of 21, or under the age of 25 if the child is a full time student financially dependent upon the parent. For purposes of these chapters, "dependent" also includes an unmarried child of any age who is medically certified as disabled and dependent upon the parent. To the extent a policy subject to these chapters contains a definition of dependent that varies from the statutory definition after July 1, 2007, the contract must be construed consistently with the new statutory definitions. See Idaho Code § 41-1821.

Carriers with outstanding contracts affected by SB 1105 will have the option of issuing amended contract forms to policyholders or issuing their policyholders a notice that clearly informs the policyholder of the change in law and that effective July 1, 2007, the definition of dependent as used in the contract will be interpreted in accordance with the new law. Carriers that elect to amend contract forms must file the amended contract forms with the Department. Carriers that elect to use a notice to policyholders must file the notice with the Department along with a statement that the carrier is relying on the notice rather than issuing a new contract form.

To the extent the change in law makes any formerly ineligible dependent eligible for coverage, the dependent will be eligible for re-enrollment as a newly eligible dependent.

For example, an unmarried child who became ineligible for dependent coverage because she turned age 19 in April of 2007 would become newly eligible for dependent coverage under the contract on July 1 and would be considered, for purposes of enrollment, to be a newly eligible dependent. The dependent would be eligible for enrollment on the same basis as any other newly eligible dependent. Carriers may choose to amend their existing contracts to comply with SB 1105 prior to July 1 in order to avoid administrative costs associated with having to re-enroll dependents who may become ineligible prior to July 1, but will again be eligible for dependent coverage after July 1. State and federal laws governing pre-existing condition exclusions will apply in the usual manner for re-enrolled dependents, and carriers should follow their normal rating procedures for newly eligible dependents.

The changes made by SB 1105 do not apply to large group contracts (contracts covering more than 50 employees) or to self-funded plans.