

DONNA LEE H. WILLIAMS
INSURANCE COMMISSIONER

State of Delaware



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Department of Insurance

MEMORANDUM

TO: All Insurers Licensed in Delaware

FROM: Insurance Commissioner Donna Lee H. Williams

RE: 2001 Insurance-Related Legislation Report

DATE: September 27, 2001

The Delaware General Assembly adopted and Governor Ruth Ann Minner signed into law the following insurance-related legislation. For copies of the legislation please contact Legislative Council at 1-800-282-8545 or visit their website at <http://www.state.de.us/research/assembly.htm>.

SENATE BILL 111 – Raises the CAP ON ATTORNEYS' FEES for WORKERS' COMPENSATION benefits awarded from \$2,250 to \$6,744. **Signed: July 9, 2001; Effective: July 1, 2001.**

SENATE BILL 125 – Provides RECIPROCITY in LICENSING NON-RESIDENT SURPLUS LINES BROKERS and complies with the Federal Gramm-Leach-Bliley Act. **Signed: June 27, 2001.**

SENATE BILL 146 (Substitute) – Replaces the current statute for AGENT LICENSING requirements that includes creating a SYSTEM OF RECIPROCITY & UNIFORMITY and complies with the Federal Gramm-Leach-Bliley Act. **Signed: July 13, 2001; Effective: March 1, 2002.**

SENATE BILL 181 – The "Patients' Bill Of Rights" allowing for referrals, necessary prescription drugs, speedy internal appeals of adverse decisions, appropriate emergency room care and benefits for clinical trials. Also provides for RATE DISPUTE resolution pertaining to emergency services and out-of-network care through an ARBITRATION process to be established by the Insurance Commissioner. **Signed: July 3, 2001; Effective: Will apply to all insurance policies and contracts issued or renewed on or after January 1, 2002.**

SENATE BILL 223 – Increases the total membership of the DELAWARE HEALTH CARE COMMISSION from ten to eleven. **Signed: July 9, 2001.**

HOUSE BILL 27 – Amends Title 19 and would allow members of the immediate families of SOLE PROPRIETORS or partners subject to the WORKERS' COMPENSATION ACT to opt out of coverage. **Signed: June 18, 2001 (effective 60 days after enactment).**

HOUSE BILL 62 – Formally recognizes that the APPEAL TIME from the INDUSTRIAL ACCIDENT BOARD to SUPERIOR COURT is 30 days and that the IAB is not a party to an appeal as provided under the Administrative Procedures Act. **Signed: June 21, 2001.**

HOUSE BILL 100 – Provides complete MENTAL HEALTH PARITY for coverage between treatment of physical disorders and mental disorders. The final amendment to the legislation reinstates the current code language reference to “serious mental illness,” clarifies that DRUG and ALCOHOL dependencies will be covered; provides that a licensed mental health professional must provide service in order to be reimbursed; defines that a LICENSED MENTAL HEALTH PROFESSIONAL includes a psychologist, psychiatrist, social worker and other such mental health professionals, and that CERTIFIED DRUG and ALCOHOL COUNSELORS’ eligible services be covered. **Signed: July 18, 2001. NOTE: The Act shall become effective upon the specific appropriation of funds for such purposes in the Annual Appropriations Act.**

HOUSE BILL 158 – Would require employers to inform employees of WORKERS’ COMPENSATION BENEFITS they are entitled to. **Signed: July 9, 2001.**

HOUSE BILL 171 – Clarifies and corrects language in Title 18 that “Pap Smear” is not the appropriate HEALTH CARE SCREENING for endometrial cancer but is used for cervical cancer screening. **Signed: June 18, 2001.**

HOUSE BILL 204 – Requires that certain BREAST RECONSTRUCTION procedures be covered by group and individual health insurance plans in conjunction with mastectomy procedures. **Signed: July 30, 2001; Effective for policies issued or renewed after July 15, 2001.**

HOUSE BILL 205 – Pertains to NON-DISCLOSURE of NON-PUBLIC information and grants the Insurance Commissioner the authority to adopt rules and regulations to implement provisions of the Federal Gramm-Leach-Bliley Act of 1999. **Signed: June 21, 2001.**

HOUSE BILL 206 – Provides that FARM VEHICLES operated or towed on highways in Delaware must be operated by a LICENSED DRIVER regardless of registration status. **Signed: July 12, 2001.**

HOUSE BILL 225 – Reorganizes the FEE STRUCTURE and increases some of the fees for services provided by the Delaware Insurance Department. **Signed: July 1, 2001; Effective upon signature.**

HOUSE BILL 249 – Will add a new Chapter 20 to Title 18, and will establish a new LIMITED LICENSE for selling insurance at AUTO CENTERS. The proposed fee is \$300 per year per entity selling the product. **Signed: July 17, 2001; Effective: January 1, 2002.**

HOUSE BILL 250 – Clarifies the PROPER TAX CREDITS to be allowed for insurance GUARANTEE ASSOCIATION ASSESSMENTS. Affects § 523(b) of Title 18. **Signed: July 12, 2001.**

HOUSE BILL 262 – Provides specific guidelines as to when PENALTIES may be assessed when an insurer or self-insurer FAILS TO PAY WORKERS’ COMPENSATION benefits in a timely manner. Amendment provides that an explanation must be included with a bill, eliminates problems caused by delays in the mail by clarifying that the 30 day provision begins to run upon receipt of the medical bills, and clarifies that compensation agreements must be in writing. **Signed: July 19, 2001.**

***NOTE:** Unless specified in the Bill, signed legislation becomes effective upon the Governor’s signature.*