



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
INSURANCE DIVISION
500 JAMES ROBERTSON PARKWAY 7TH FLOOR
NASHVILLE, TENNESSEE 37243-5065
615-741-2176

July 16, 2013

Dixie Lawlor
Senior Contract Compliance Analyst
Union Security Insurance Company
Dixie.lawlor@assurant.com

**Re: Interpretive Opinion No. 02-13
Mandated Coverage for Newly Born Children for Individual and Group
Health Insurance Plans**

Dear Ms. Lawlor:

This letter is written in response to your request for an Interpretive Opinion under the authority of TENN. COMP. R. & REGS. 0780-1-77-.01 requesting clarification on mandates placed on individual and group health insurance policies to provide coverage for newly born children. Your inquiry specifically asks whether the provisions of TENN. CODE ANN. § 56-7-2301 mandating such coverage applies only to major medical contracts or also to excepted benefits contracts.

The facts are understood by the Division as follows:

- Effective January 1, 2014, your company will be making available pediatric dental benefits as part of an Essential Health Benefits Plan that will cover minor children.
- This will create a market for supplementary group dental benefits for adult dependent children.
- Your company is attempting to file group dental forms with the Insurance Division of the Tennessee Department of Commerce and Insurance ("Division") that would be marketed to employees, their spouses, and adult dependent children exceeding the age limit of the Essential Health Benefits Plan already obtained by the insured and providing pediatric dental coverage.
- The supplementary product would be offered only to individuals that already have the Essential Health Benefits Plan and, therefore, already have a pediatric dental policy providing coverage for newly born children.

RESPONSE:

TENN. CODE ANN. § 56-7-2301 provides, in pertinent part:

(a) **All individual and group health insurance policies** providing coverage on an expense incurred basis and individual and group service or indemnity type contracts issued by a nonprofit corporation that provide coverage for a child of the insured or subscriber shall, as to the child's coverage, also provide that the health insurance benefits applicable to children, if any, shall be payable with respect to a newly born child of the insured or subscriber from the moment of birth...

(d) The requirements of this section apply to **all insurance policies** and subscriber contracts delivered or issued for delivery in this state more than one hundred twenty days after July 1, 1974, and those policies and subscriber contracts that are substantially amended after July 1, 1980. [Emphasis added].

The above provisions make clear that **all** individual and group health insurance policies that provide coverage for a child of the insured and on an expense-incurred basis must provide the same benefits to a newly born child of the insured. There are not any exceptions provided, nor is the language used in the statute ambiguous in any way. Tennessee case law provides that "when the statutory language is clear and unambiguous, we must apply its plain meaning in its normal and accepted use, without a forced interpretation that would limit or expand the statute's application." Eastman Chemical Co. v. Ruth E. Johnson, Commissioner of Revenue, State of Tennessee, 151 S.W.3d 503, 507 (Tenn. 2004). TENN. CODE ANN. § 56-7-2301(a) clearly states the newborn coverage mandate applies to all individual and group health policies meeting the criteria provided. It does not make an exception for dental coverage, or indicate in any way that the mandate applies only to major medical insurance. In addition, TENN. CODE ANN. § 56-7-2301(d) reaffirms this conclusion as it unambiguously expresses that the mandate is to apply to **all insurance policies** following specified dates, and again does not make exception for supplemental policies.

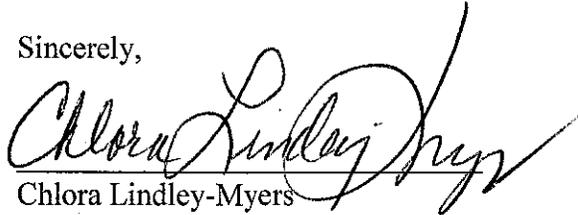
Based on the facts provided, the insurance product you wish to file with the Division, providing for supplementary group dental benefits for dependent adult children must also comply with the mandates of TENN. CODE ANN. § 56-7-2301(a) and provide such dental coverage for newborn children of the insured.

This response by the Division to a specific use and interpretation of the Tennessee Code should not be construed as a legal position or opinion of the Commissioner of Commerce and Insurance, or any other official in the Department of Commerce and Insurance. As each inquiry is reviewed on the specific facts presented, this response is based only on such facts and may not be used as precedent. Any variation in the facts presented to the Division could result in a different conclusion than asserted herein.

Dixie Lawlor
Re: Mandated Insurance for Newly Born Children
July 16, 2013
Page 3 of 3

If you have any questions regarding this matter, please do not hesitate to contact me at (615) 741-2176.

Sincerely,



Chlora Lindley-Myers
Deputy Commissioner

CLM/lvd

cc: Julie Mix McPeak, Commissioner
Nancy Jones, General Counsel and Deputy Commissioner
Rachel L. Waterhouse, Deputy General Counsel
Tony Greer, Chief Counsel for Insurance
Michael Humphreys, Director of Insurance
Brian Hoffmeister, Director of Policy Analysis
Victoria Stotzer, Policy Analyst
Lauren Dantche, Assistant General Counsel for Insurance