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Coordination of Benefits

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Coordination of Benefits

Sec. 38a-554-1. Authority

The following regulations are promulgated under the authority set forth in Section 38a-554 of the Connecticut General Statutes.

(Effective September 25, 1992)

Sec. 38a-554-2. Definitions

(A) "Plan" means any group policy issued by or reinsured through the Health Reinsurance Association or any subscriber contract issued by a residual market mechanism established by hospital and medical service corporations and providing comprehensive health care coverage as provided in Chapter 700c of the Connecticut General Statutes.

The term "Plan" shall be construed separately with respect to each policy, contract, or other arrangement for benefits or services and separately with respect to that portion of any such policy, contract, or other arrangement which reserves the right to take the benefits or services of other Plans into consideration in determining its benefits and that portion which does not.

(B) "This Plan" means those portions of the policy which provide the benefits that are subject to this provision.

(C) "Allowable Expense" means any necessary, reasonable, and customary item of expense at least a portion of which is covered under at least one of the Plans covering the person for whom claim is made.

When a Plan provides benefits in the form of services rather than cash payments, the reasonable cash value of each service rendered shall be deemed to be both an Allowable Expense and a benefit paid.

(D) "Claim Determination Period" means a calendar year, or that portion of a calendar year during which the person for whom claim is made has been covered under this Plan.

(Effective September 25, 1992)

Sec. 38a-554-3. Effect on benefits

(A) This provision shall apply in determining the benefits as to a person covered under this Plan for any Claim Determination Period if, for the Allowable Expenses incurred as to such person during such Claim Determination Period, the sum of (1) the benefits that would be payable under this Plan in the absence of this provision, and (2) the benefits that would be payable under all other Plans in the absence therein of provisions of similar purpose to this provision would exceed such Allowable Expenses.

(B) As to any Claim Determination Period with respect to which this provision is applicable, the benefits that would be payable under this plan in the absence of this provision for the Allowable Expenses incurred as to such person during such Claim Determination Period shall be reduced to the extent necessary so that the sum of such reduced benefits and all the benefits payable for such Allowable Expenses under all other plans, except as provided in item (C) of this section, shall not exceed the total of such Allowable Expenses. Benefits payable under another plan include the benefits that would have been payable had claim been duly made therefor.

(C) If (1) another plan which is involved in item (B) of this section and which contains a provision coordinating its benefits with those of this plan would, according to its rules, determine its benefits after the benefits of this plan have been determined, and (2) the rules set forth in item (D) of this section would require this plan to

determine its benefits before such other plan, then the benefits of such other plan will be ignored for the purposes of determining the benefits under this plan.

(D) For the purposes of item (C) of this section, the rules establishing the order of benefit determination are:

(1) The benefits of plan which covers the person on whose expenses claim is based other than as a dependent shall be determined before the benefits of a plan which covers such person as a dependent;

(2) (i) except for cases of a person for whom claim is made as a dependent child whose parents are separated or divorced, the benefits of a plan which covers the person on whose expenses claim is based as a dependent of a person whose date of birth, excluding year of birth, occurs earlier in a calendar year, shall be determined before the benefits of a plan which covers such person as a dependent of a person whose date of birth, excluding year of birth, occurs later in a calendar year. If either plan does not have the provisions of this paragraph (2) (i) regarding dependents, which results either in each plan determining its benefits before the other or in each plan determining its benefits after the other, the provisions of this paragraph (2) (i) shall not apply, and the rule set forth in the plan which does not have the provisions of this paragraph (2) (i) shall determine the order of benefits.

(ii) In the case of a person for whom claim is made as a dependent child whose parents are separated or divorced and the parent with custody of the child has not remarried, the benefits of a plan which covers the child as a dependent of the parent with custody of the child will be determined before the benefits of a plan which covers the child as a dependent of the parent without custody;

(iii) In the case of a person for whom claim is made as a dependent child whose parents are divorced and the parent with custody of the child has remarried, the benefits of a plan which covers the child as a dependent of the parent with custody shall be determined before the benefits of a plan which covers that child as a dependent of the stepparent, and the benefits of a plan which covers that child as a dependent of the stepparent will be determined before the benefits of a plan which covers that child as a dependent of the parent without custody;

(iv) In the case of a person for whom claim is made as a dependent child whose parents are separated or divorced, where there is a court decree which would otherwise establish financial responsibility for the medical, dental or other health care expenses with respect to the child, then, notwithstanding paragraphs (ii) and (iii) above, the benefits of a plan which covers the child as a dependent of the parent with such financial responsibility shall be determined before the benefits of any other plan which covers the child as a dependent child.

(3) When rules (1) and (2) do not establish an order of benefit determination, the benefits of a plan which has covered the person on whose expenses claim is based for the longer period of time shall be determined before the benefits of a plan which has covered such person the shorter period of time, provided that:

(i) The benefits of a plan covering the person on whose expenses claim is based as a laid-off or retired employee, or dependent of such person, shall be determined after the benefits of any other plan covering such person as an employee, or dependent of such person; and

(ii) if either plan does not have a provision regarding laid-off or retired employees, which results in each plan determining its benefits after the other, then the provisions of (i) above shall not apply.

(E) When this provision operates to reduce the total amount of benefits otherwise payable as to a person covered under this plan during any claim determination

period, each benefit that would be payable in the absence of this provision shall be reduced proportionately, and such reduced amount shall be charged against any applicable benefit limit of this plan.

(Effective September 25, 1992)

Sec. 38a-554-4. Right to receive and release necessary information

For the purposes of determining the applicability of and implementing the terms of this provision of this plan or any provision of similar purpose of any other plan, the company may, without the consent of or notice to any person, release to or obtain from any other insurance company or other organization or person any information, with respect to any person, which the company deems to be necessary for such purposes. Any person claiming benefits under this plan shall furnish to the company such information as may be necessary to implement this provision.

(Effective September 25, 1992)

Sec. 38a-554-5. Facility of payment

Whenever payments which should have been made under this plan in accordance with this provision have been made under any other plans, the company shall have the right, exercisable alone and in its sole discretion, to pay over to any organizations making such other payments any amounts it shall determine to be warranted in order to satisfy the intent of this provision, and amounts so paid shall be deemed to be benefits paid under this plan and, to the extent of such payments, the company shall be fully discharged from liability under this plan.

(Effective September 25, 1992)

Sec. 38a-554-6. Right of recovery

Whenever payments have been made by the company with respect to Allowable Expenses in a total amount which is, at any time, in excess of the maximum amount of payment necessary at that time to satisfy the intent of this provision, the company shall have the right to recover such payments, to the extent of such excess, from among one or more of the following, as the company shall determine: any persons to or for or with respect to whom such payments were made, any other insurance companies, any other organizations.

(Effective September 25, 1992)