



Delaware House of Representatives House Majority Caucus

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LEGISLATION PROTECTING RESIDENTS' HEALTH INSURANCE SIGNED INTO LAW

Governor also signs discount medical plans bill

DOVER – Governor Jack A. Markell signed legislation on Monday afternoon that will help protect residents from losing their insurance and prevent medical discount plans from being misrepresented as insurance.

Sponsored by Rep. Darryl M. Scott, House Bill 420 provides consumer protections from insurance companies canceling their healthcare policy. Currently, when a person files a claim, an insurance company can revisit a person's policy through post-claim underwriting and cancel the policy for something even unrelated to the claim.

“This practice is underhanded and leaves people out in the cold when they need their insurance the most,” said Rep. Scott, D-Dover. “I can't stress enough how much of an impact this legislation will have in protecting consumers from losing their insurance. I am thankful that my colleagues in both chambers on both sides of the aisle agreed and passed this bill.”

The new consumer protection law eliminates this practice and prevents insurance companies from canceling policies through post-claim underwriting. The bill does not apply in instances where the insured person knowingly misrepresents or omits information that affects how much risk the insurer is assuming. Rep. Scott added that the bill will ensure that physicians and hospitals are reimbursed for services provided.

The governor also signed Senate Bill 228, which establishes a regulatory system for medical discount plans. The legislation, sponsored by Sen. Harris B. McDowell III and Rep. Gerald L. Brady, seeks to ensure that medical discount plans are not misrepresented as insurance. The bill also provides a specific set of rules that entities selling medical discount plans must follow in order to protect consumers, and a regulatory structure that will allow the state to enforce those rules.

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