

July 29, 2008

Coverage for Unmarried Adult Children

Effective July 1, 2008, Iowa law was revised to allow adult children to be covered under their parent/guardian's health insurance policies up to age 25, assuming the following conditions:

- The primary insured must request to have the adult child enrolled.
- The adult child is unmarried (should an adult child marry during the benefit period, the coverage may continue until the beginning of the next coverage renewal date).
- The adult child is a resident of Iowa.
- The adult child has had no lapse in coverage greater than 63 days. (To verify eligibility, proof of continuous coverage is required for children not enrolled with Delta Dental during the last 63 days).

Also effective July 1, 2008, there is no age limit for unmarried children to remain on their parent's insurance policy as long as they are a full-time student at an accredited post-secondary institution.

The law applies to fully-insured group plans and self-funded entities covered by Section 509A of Iowa Code. For example, if you are a 509A entity that is paying into the Iowa Individual Health Benefit Reinsurance program (IHBRP), you must comply with the law. The law does not apply to Self-Funded ERISA Plans.

Delta Dental of Iowa will reinstate coverage for eligible children who were terminated on or after May, 1, 2008 due to the former age limitation of 19 or for full-time student status limitations. To reinstate coverage for eligible children, the primary insured needs to make this request through their employer group.

The law allows for changes to be implemented at the group's renewal date, assuming the renewal is after July 1, 2008. Delta Dental is prepared to implement this change, through retro-active eligibility adjustments, for all groups effective July 1, 2008. Please note, each employer group may choose to delay the addition of adult children through age 25 until the coverage renewal date (if later than July 1, 2008). If the employer group includes adult children that are now eligible members under the new law, Delta Dental will assume this inclusion is intentional.

Employees should keep in mind that there may be tax consequences involved with continuing health coverage to an adult child that does not meet the definition of a dependent under federal law. Employees should consult with a tax advisor with related tax questions.

Because Delta Dental does not have a method for determining Iowa residency, the assumption will be made that an adult child meeting all other criteria is a valid member. Employers do have a right to limit the inclusion of non-Iowa residents.

Updates will be posted on the Delta Dental website at www.deltadentalia.com/employer.