

AMENDED IN ASSEMBLY APRIL 27, 2004

AMENDED IN ASSEMBLY APRIL 12, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2208**

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**Introduced by Assembly Member Kehoe**  
**(Principal coauthors: Assembly Members Koretz and Lieber)**  
**(Coauthors: Assembly Members Dymally, Goldberg, Laird,**  
**Leno, Nation, Ridley-Thomas, and Wolk)**  
(Coauthors: Senators Kuehl and Vasconcellos)

February 18, 2004

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An act to amend Section 1374.58 of the Health and Safety Code, and to amend Section 10121.7 of, and to add Section 381.5 to, the Insurance Code, relating to domestic partners.

LEGISLATIVE COUNSEL'S DIGEST

AB 2208, as amended, Kehoe. Health care and insurance benefits.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans and makes a violation of the act's provisions a crime. Existing law also provides for the regulation of health insurers and all other forms of insurance by the Department of Insurance. Under existing law, health care service plans and health insurers are required to offer coverage for the domestic partner of an employee, subscriber, insured, or policyholder to the same extent and subject to the same terms and conditions as provided to a dependent of those persons.

This bill would require a health care service plan and a health insurer to provide coverage to the domestic partner of an employee, subscriber,

insured, or policyholder that is equal to the coverage it provides to the spouse of those persons. The bill would extend this requirement to all other forms of insurance regulated by the Department of Insurance and would deem that all of those policies as well as health care service plans and health insurance policies issued, amended, delivered, or renewed in this state on or after January 1, 2005, provide domestic partner coverage equal to that provided to spouses.

Because the bill would specify additional requirements for a health care service plan, the violation of which would be a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known and may be cited as the  
2 California Insurance Equality Act.

3 SEC. 2. Section 1374.58 of the Health and Safety Code is  
4 amended to read:

5 1374.58. (a) A group health care service plan that provides  
6 hospital, medical, or surgical expense benefits shall provide equal  
7 coverage to employers or guaranteed associations, as defined in  
8 Section 1357, for the domestic partner of an employee or  
9 subscriber to the same extent, and subject to the same terms and  
10 conditions, as provided to a spouse of the employee or subscriber,  
11 and shall inform employers and guaranteed associations of this  
12 coverage. A plan may not offer or provide coverage for a domestic  
13 partner that is not equal to the coverage provided to the spouse of  
14 an employee or subscriber.

15 (b) If an employer or guaranteed association has purchased  
16 coverage for spouses and domestic partners pursuant to  
17 subdivision (a), a health care service plan that provides hospital,  
18 medical, or surgical expense benefits for employees or subscribers  
19 and their spouses shall enroll, upon application by the employer or



1 group administrator, a domestic partner of an employee or  
2 subscriber in accordance with the terms and conditions of the  
3 group contract that apply generally to all spouses under the plan,  
4 including coordination of benefits.

5 (c) For purposes of this section, the term “domestic partner”  
6 shall have the same meaning as that term is used in Section 297 of  
7 the Family Code.

8 (d) (1) A health care service plan may require that the  
9 employee or subscriber verify the status of the domestic  
10 partnership by providing to the plan a copy of a valid Declaration  
11 of Domestic Partnership filed with the Secretary of State pursuant  
12 to Section 298 of the Family Code or an equivalent document  
13 issued by a local agency of this state, another state, or a local  
14 agency of another state under which the partnership is created. The  
15 plan may also require that the employee or subscriber notify the  
16 plan upon the termination of the domestic partnership.

17 (2) Notwithstanding paragraph (1), a health care service plan  
18 may require the information described in that paragraph only if it  
19 *also requests from the employee or subscriber whose spouse is*  
20 *provided coverage, verification of marital status and notification*  
21 *of its dissolution dissolution of the marriage.*

22 (e) Nothing in this section shall be construed to expand the  
23 requirements of Section 4980B of Title 26 of the United States  
24 Code, Section 1161, and following, of Title 29 of the United States  
25 Code, or Section 300bb-1, and following, of Title 42 of the United  
26 States Code, as added by the Consolidated Omnibus Budget  
27 Reconciliation Act of 1985 (Public Law 99-272), and as those  
28 provisions may be later amended.

29 (f) A plan subject to this section that is issued, amended,  
30 delivered, or renewed in this state on or after January 1, 2005, shall  
31 be deemed to provide coverage for domestic partners that is equal  
32 to the coverage provided to a spouse of an employee or subscriber.

33 SEC. 3. Section 381.5 is added to the Insurance Code, to read:

34 381.5. (a) Every policy issued, amended, delivered, or  
35 renewed in this state shall provide coverage for the domestic  
36 partner of an insured or policyholder that is equal to, and subject  
37 to the same terms and conditions as, the coverage provided to a  
38 spouse of an insured or policyholder. A policy may not offer or  
39 provide coverage for a domestic partner if it is not equal to the  
40 coverage provided for the spouse of an insured or policyholder.



1 This subdivision applies to all forms of insurance regulated by this  
2 code.

3 (b) A policy subject to this section that is issued, amended,  
4 delivered, or renewed in this state on or after January 1, 2005, shall  
5 be deemed to provide coverage for domestic partners that is equal  
6 to the coverage provided to a spouse of an insured or policyholder.

7 SEC. 4. Section 10121.7 of the Insurance Code is amended to  
8 read:

9 10121.7. (a) A policy of group health insurance that provides  
10 hospital, medical, or surgical expense benefits shall provide equal  
11 coverage to employers or guaranteed associations, as defined in  
12 Section 10700, for the domestic partner of an employee, insured,  
13 or policyholder to the same extent, and subject to the same terms  
14 and conditions, as provided to a spouse of the employee, insured,  
15 or policyholder, and shall inform employers and guaranteed  
16 associations of this coverage. A policy may not offer or provide  
17 coverage for a domestic partner that is not equal to the coverage  
18 provided to the spouse of an employee, insured, or policyholder.

19 (b) If an employer or guaranteed association has purchased  
20 coverage for spouses and domestic partners pursuant to  
21 subdivision (a), a health insurer that provides hospital, medical, or  
22 surgical expense benefits for employees, insureds, or  
23 policyholders and their spouses shall enroll, upon application by  
24 the employer or group administrator, a domestic partner of the  
25 employee, insured, or policyholder in accordance with the terms  
26 and conditions of the group contract that apply generally to all  
27 spouses under the policy, including coordination of benefits.

28 (c) For purposes of this section, the term “domestic partner”  
29 shall have the same meaning as that term is used in Section 297 of  
30 the Family Code.

31 (d) (1) A policy of group health insurance may require that the  
32 employee, insured, or policyholder verify the status of the  
33 domestic partnership by providing to the insurer a copy of a valid  
34 Declaration of Domestic Partnership filed with the Secretary of  
35 State pursuant to Section 298 of the Family Code or an equivalent  
36 document issued by a local agency of this state, another state, or  
37 a local agency of another state under which the partnership is  
38 created. The policy may also require that the employee, insured,  
39 or policyholder notify the insurer upon the termination of the  
40 domestic partnership.



1 (2) Notwithstanding paragraph (1), a policy may require the  
2 information described in that paragraph only if it *also* requests  
3 *from the employee, insured, or policyholder whose spouse is*  
4 *provided coverage*, verification of marital status and notification  
5 of ~~its dissolution~~ *dissolution of the marriage*.

6 (e) Nothing in this section shall be construed to expand the  
7 requirements of Section 4980B of Title 26 of the United States  
8 Code, Section 1161, and following, of Title 29 of the United States  
9 Code, or Section 300bb-1, and following, of Title 42 of the United  
10 States Code, as added by the Consolidated Omnibus Budget  
11 Reconciliation Act of 1985 (Public Law 99-272), and as those  
12 provisions may be later amended.

13 (f) A group health insurance policy subject to this section that  
14 is issued, amended, delivered, or renewed in this state on or after  
15 January 1, 2005, shall be deemed to provide coverage for domestic  
16 partners that is equal to the coverage provided to a spouse of an  
17 employee, insured, or policyholder.

18 SEC. 5. No reimbursement is required by this act pursuant to  
19 Section 6 of Article XIII B of the California Constitution because  
20 the only costs that may be incurred by a local agency or school  
21 district will be incurred because this act creates a new crime or  
22 infraction, eliminates a crime or infraction, or changes the penalty  
23 for a crime or infraction, within the meaning of Section 17556 of  
24 the Government Code, or changes the definition of a crime within  
25 the meaning of Section 6 of Article XIII B of the California  
26 Constitution.

