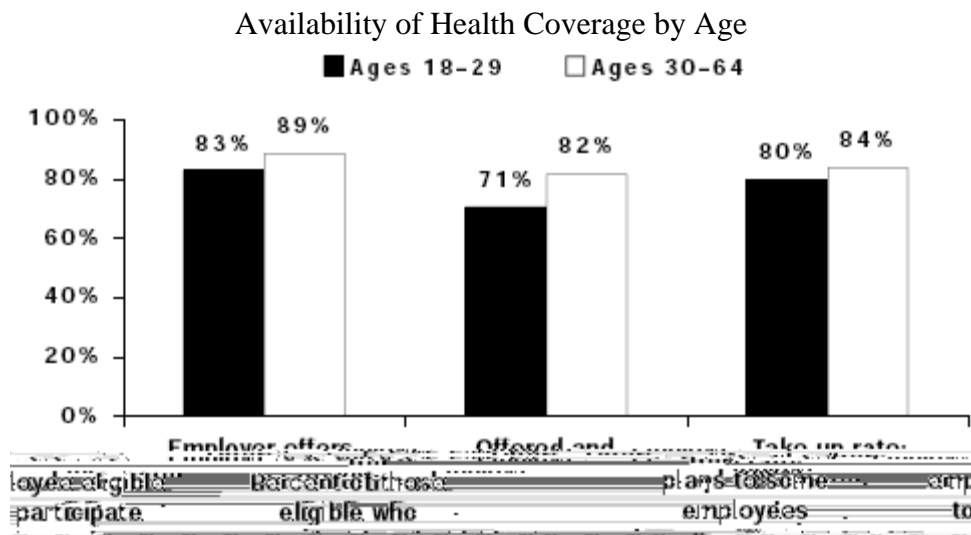




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Another reason many small employers cannot offer health insurance to its' employees is the rapidly increasing insurance premiums in the current market. During the last five years the average annual increase of inflation has been 2.5%, while health insurance premiums for small firms have risen, on average, 15% each year.<sup>3</sup>



Source: Quin, Kevin. “On Their Own Young Adults Without Health Insurance.” The Commonwealth Fund. May 2000.

### Handicapped Insured

Vermont along with Maine, New Hampshire, and Oregon all passed laws last year that increased the rights of mentally and physically handicapped individuals by extending the insurance coverage to those people. In Vermont the statute 4089d includes handicapped individuals under their policy holders dependent status, and can not be dropped from their plan when the reach the age of 18.<sup>4</sup>

### Coverage for Grandchildren

Maryland, Minnesota, New York, and Texas have all passed laws that include “grandchild” in their states definition of a dependent, and made insurance companies provide mandatory coverage to these individuals. Texas’ law increases the coverage of grandchildren until their 25<sup>th</sup> birthday as long as they remain unmarried, and regardless of if they are in school.<sup>5</sup>

<sup>3</sup> The Henry J. Kaiser Family Foundation. Employee Health Benefits: 2005 Annual Survey. 15 September 2005. <http://www.kff.org/insurance/7315/index.cfm>

<sup>4</sup> National Conference of State Legislatures, “The Changing Definition of ‘dependent’ Who is Insured and For How Long?” <http://www.ncsl.org/programs/health/dependentstatus.htm>, January 2007, accessed, April 4, 2007.

<sup>5</sup> Ibid.



**South Dakota:** An insurance provider can not end coverage to a dependent until said person is 19. If the dependent is enrolled in an educational institution the coverage cannot end until the person is 24.

**Texas:** A person may be considered a dependent and be covered if the person is a student until the age of 25. If a person is not a student their dependency status ends at age 19.

**Utah:** The law states that coverage for unmarried dependents must continue until the person's 26<sup>th</sup> birthday, regardless of higher education or not.

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Compiled in response to a request from Representative Martha Heath by Derek Stewart, Kensington Moore, and Ben Kahn under the supervision of Professor Anthony Gierzynski on April 4, 2007.

**Disclaimer:** This report has been compiled by undergraduate students at the University of Vermont under the supervision of Professor Anthony Gierzynski. The material contained in the report does not reflect the official policy of the University of Vermont.