



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

## **California Department of Insurance**

### **NOTICE**

#### **Health Insurer Dental Coverage Compliance California Insurance Code section 10120.41**

**January 31, 2025**

The California Department of Insurance (CDI) issues this notice regarding the requirements set forth under California Insurance Code (CIC) section 10120.41 concerning dental coverage.

#### **Background**

Assembly Bill 1048 ((Wicks), Stats. 2023, ch. 557, § 4)<sup>1</sup>, in relevant part, enacted CIC section 10120.41, which prohibits imposing a dental waiting period provision in a large group dental insurance policy, or imposing a preexisting condition provision in *any* dental insurance policy. This notice provides information to assist health insurers in complying with these requirements. Information AB 1048's dental rate review requirements can be found on CDI's website.<sup>2</sup>

#### **I. Applicability**

All insurers that issue, sell, renew, or offer a policy of health insurance, as defined in subdivision (b) of CIC section 106, covering dental services, including a specialized health insurance policy covering dental services, as defined in subdivision (c) of section 106, must comply with section 10120.41.<sup>3</sup> For purposes of this notice any health insurance policy covering dental services, including a specialized health insurance policy, shall be collectively referred to as a "dental insurance policy."<sup>4</sup>

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<sup>1</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240AB1048](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1048)

<sup>2</sup> Information about the dental rate review requirements set forth by AB 1048 can be found on the Department's website under "AB 1048 Dental Rate Review": <https://www.insurance.ca.gov/0250-insurers/0500-legal-info/0200-regulations/HealthGuidance/>

<sup>3</sup> CIC § 10120.41(a)(2).

<sup>4</sup> All health benefit plans, as defined by CIC § 10198.6, must also comply with CIC § 10198.7 and its prohibitions pertaining to waiting periods and preexisting condition exclusions, whether or not they include dental coverage.

## II. Legal Requirements

On and after January 1, 2025, a health insurer shall not issue, sell, renew, or offer a policy that imposes a dental waiting period provision in a large group dental insurance policy. "Dental waiting period provision" means a health insurance policy provision that limits coverage for a specified period of time following an insured's effective date of coverage.<sup>5</sup> Please note, "large group" is not specifically defined for the purpose of this section, but is defined in the CIC as a group health insurance policy other than a policy issued to a small employer.<sup>6</sup> Therefore, "large group" is a group health insurance policy issued to a group with 101 members or more.

Additionally, on and after January 1, 2025, a health insurer shall not issue, sell, renew, or offer a policy that imposes a preexisting condition provision upon an insured for *any* dental insurance policy. "Preexisting condition provision" means a policy provision that excludes or limits coverage for services, charges, or expenses incurred following an insured's effective date of coverage for a condition for which dental services, diagnosis, care, or treatment was recommended or received preceding the effective date of coverage.<sup>7</sup> Based on the statutory definition, this prohibition may include benefit limits related to the treatment of a condition (e.g., limits on frequency, number of visits, or days of coverage) if the condition existed prior to the effective date. Limits that take into account any treatment received prior to the effective date of the policy may violate the prohibition against preexisting condition exclusions and should be reviewed and amended as needed.

## III. Directions

Insurers that offer dental insurance policies are advised to review all such policies for language that excludes or limits coverage in any manner that constitutes a preexisting condition provision, as defined. Additionally, insurers that offer large group health insurance policies covering dental services should review such policies for dental waiting period provisions, as defined. To the extent any such provisions are found, insurers must discontinue enforcement of those provisions in the administration of policies issued or renewed on or after January 1, 2025, and should, as soon as possible, file revised policy forms with the Department through SERFF deleting or amending any such provisions as needed to ensure compliance with section 10120.41.

## IV. Questions

Insurer questions regarding compliance with the requirements of Insurance Code section 10120.41 should be directed to [Ethan.Lavelle@insurance.ca.gov](mailto:Ethan.Lavelle@insurance.ca.gov).

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<sup>5</sup> CIC § 10120.41(a)(1), (b).

<sup>6</sup> See, e.g., CIC §§ 10700(w), 10753(q), 10755(q), 10181(c), (d).

<sup>7</sup> CIC § 10120.41(a)(3), (b).