DEPARTMENT OF INSURANCE

September 4, 2018
Bulletin 244
Short-Term Limited-Duration Health Plans

This bulletin is directed towards all insurers issuing short-term, limited-duration insurance policies outlined within IC 27-1-37.3-5(b)(6) and all Hoosiers. The purpose of this bulletin is to discuss Indiana's existing statutes on short-term health plans in light of the new federal rule on short-term, limited-duration policies.

On August 3, 2018, the U.S. Department of Health and Human Services (HHS) published the "Short-Term, Limited-Duration Insurance" final rule (Final Rule) to implement President Trump's executive order of October 12, 2017. The Final Rule amends the definition of short-term, limited-duration insurance to extend the maximum duration of a short-term, limited-duration policy. Effective October 2, 2018, short-term, limited-duration policies may have an initial contract term of less than twelve (12) months with a maximum duration not to exceed thirty-six (36) months under a single contract. This Final Rule reverses previous federal guidance issued by the prior administration, which limited short-term, limited-duration plans to a maximum of three (3) months.

This Final Rule does not preempt existing Indiana state law that regulates these plans. Under IC 27-1-37.3-5(b)(6), short-term, limited-duration insurance must not be for longer than six (6) months and may not be renewed. Insurers that have policyholders enrolled in plans that followed the previous federal guidance by limiting plans to three (3) months may continue to offer these policies. Effective October 2, 2018, if an insurer wants to issue policies conforming to current Indiana state law, the insurer will need to submit a new filing for a six (6) month duration policy through the System for Electronic Rate and Form Filing (SERFF).

Questions regarding this bulletin should be directed to compliance@idoi.in.gov.

INDIANA DEPARTMENT OF INSURANCE

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Insurance Commissioner

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