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Bulletin 205

RENEWAL OF NON-ACA-COMPLIANT POLICIES

This Bulletin is directed to all insurers issuing accident and sickness insurance policies, as defined at IC 27-8-5-1; all health maintenance organizations ("HMOs"), as defined at IC 27-13-1-19 (collectively, "insurers"); and all Hoosiers purchasing accident and sickness insurance policies in the individual and small group markets. The purpose of this Bulletin is to announce and explain the Department's position regarding renewal of non-ACA-compliant policies.

On March 5, 2014, U.S. Health and Human Services announced via bulletin that it would allow insurers to renew existing individual or small group health insurance policies even though they don't meet the requirements of the Affordable Care Act ("ACA") and are not considered grandfathered plans under the ACA. These policies are often referred to as "Transitional Policies" or "Grandmothered Policies." For purposes of this Bulletin, the term "policies" includes HMO contracts. The extension would be for two years, meaning policies could be renewed up to and on October 1, 2016 if state insurance regulators permit such renewals.

To allow the greatest possible choice to Hoosiers, the Department will allow insurers to determine whether to renew Grandmothered Policies so long as the determination is made on a non-discriminatory basis. Therefore, an insurer must renew or non-renew all of its individual or small group policies. However, an insurer may choose to renew individual policies and non-renew small group policies, or vice versa. Plans that have been cancelled cannot be reinstated.

The Department is not requiring insurers to renew policies. In addition, consumers may not purchase new Grandmothered Policies or switch to a different insurer to replace a Grandmothered Policy. Consumers should understand that rates for renewals of Grandmothered Policies, as with all policies, may increase; therefore, it may be in an individual's best interest to explore other individual policy options.

The Department will publish on our web site instructions for insurers filing rate changes for Grandmothered Policies. Questions regarding this Bulletin should be directed to compliance@idoi.IN.gov.

INDIANA DEPARTMENT OF INSURANCE



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