

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS (NCOIL)

Resolution Regarding Discontinued Health Insurance Policies

*Adopted by the NCOIL Executive Committee on March 10, 2013, and by the NCOIL Health, Long-Term Care & Health Retirement Issues Committee on March 8, 2013. **Sponsored for discussion by Rep. Charles Curtiss (TN)***

WHEREAS, discontinued health insurance policies, often referred to as “closed blocks,” are groups of insurance policies that are no longer actively marketed; and,

WHEREAS, the number of people with coverage in a particular closed block grows smaller as policyholders obtain other coverage or drop coverage altogether, which could cause the health insurance premiums in the closed block to increase; and,

WHEREAS, the National Association of Insurance Commissioners (NAIC) and the American Academy of Actuaries worked for a number of years to identify how best to address rate increases on closed blocks of coverage, and ultimately concluded that there is no single solution for all states and markets; and,

WHEREAS, in 2014, significant provisions of the Affordable Care Act will take effect that will allow consumers that have coverage in a closed block to obtain coverage elsewhere; and, those market reforms include the guarantee issue of coverage without underwriting and the availability of subsidies for individuals with incomes up to 400% of the federal poverty level (\$92,400 for a family of four); and,

WHEREAS, many consumers with coverage in a discontinued plan may be unfamiliar with how they will be affected by ACA-related market reforms taking effect in a matter of months; and,

WHEREAS, the federal government, state insurance departments, and Health Benefit Exchanges will be educating the public about options relating to insurance coverage in 2014 and beyond;

THEREFORE, BE IT RESOLVED, that the National Conference of Insurance Legislators urges the US Department of Health and Human Services, state insurance commissioners, and Health Benefit Exchanges to include information about coverage options for consumers enrolled in discontinued health insurance policies in any public education efforts related to new options relating to insurance coverage in 2014 and beyond.