



**Oklahoma Insurance Department
State of Oklahoma**

BULLETIN NO. LH 2018-03

To: All Health Insurance Companies and Health Maintenance Organizations

From: John D. Doak, Insurance Commissioner

Date: September 7, 2018

Re: Short-term, Limited Duration Insurance

On August 3, 2018 the federal Department of the Treasury, Department of Labor and Department of Health and Human Services (“the Departments”) issued a Final Rule amending the definition of individual health insurance coverage (83 Fed Reg. 38212). The effective date of the Final Rule is October 2, 2018. This bulletin provides guidance to insurers interested in issuing these policies emphasizing compliance to both the new federal rules and Oklahoma law related to limited duration insurance policies (36 O.S. § 6060.4(C)(2)(f)).

The Final Federal Rule requires short-term, limited duration insurance plans to prominently display a specified consumer protection notice in the application materials and contract provided in connection with enrollment. The required notice is designed to inform the consumer that:

- The coverage under the short-term, limited duration plan is not ACA compliant.
- Individuals should check for exclusions or limitations on coverage for pre-existing conditions and health benefits.
- The policy may have lifetime or annual limits on health benefits.
- Individuals may have to wait for an open enrollment period to get other health insurance coverage if the short term policy expires.
- The coverage is not “minimum essential coverage” as required under the ACA.

Insurers issuing short-term, limited duration policies are required to use the language and notice requirements found in the Final Federal Rule.

Short-term limited duration policies sold in Oklahoma are not considered a "health benefit plan" and are exempt under 36 O.S. § 6060.4(C)(2)(f). Oklahoma law permits these policies to be sold for a period of less than six (6) months and issued on a non-renewable basis.

Issuers will be required to file or re-file policy forms that comply with the new federal notice to consumers. This will include marketing materials that will demonstrate compliance to the federal notice requirements to protect consumers from unfair marketing and trade practices. Please be advised that the Oklahoma Insurance Department may be issuing further guidance on this subject that may necessitate re-filings of the product.

Questions concerning this bulletin should be directed to Mike Rhoads (mike.rhoads@oid.ok.gov) or Gordon Amini (gordon.amini@oid.ok.gov)