

To: Insurers of Non-grandfathered Transitional Business in the N.C. Individual and Small Group Comprehensive Health Insurance Markets

From: Life and Health Division

Date: April 23, 2019

RE: Extension of Federal Transition Policy in North Carolina

N.C. Insurance Commissioner Mike Causey and Chief Deputy Commissioner Dr. Michelle Osborne support efforts to ensure North Carolina consumers have multiple health insurance coverage options as they make decisions to obtain or maintain that coverage. Therefore, the North Carolina Department of Insurance has elected to permit the additional extension of the federal Transitional Policy in the individual and small group markets through December 31, 2020 as announced by the Center for Consumer Information and Insurance Oversight (CCIIO) on March 25, 2019. Commissioner Causey and Dr. Osborne encourage insurers to extend such relief previously provided, to ensure consumers have as many health insurance coverage options as possible.

The following are specifically provided under the extension adopted in North Carolina:

- Health insurers who renewed policies in the individual and small group markets under the federal transitional policy continually since 2014 may continue to renew such coverage for a policy year starting on or before October 1, 2020; **however, any policies renewed or extended under the extension of the federal transitional policy must not extend past December 31, 2020.**
- Health insurers may choose to extend the federal transitional relief:
 - For both the individual and small group markets;
 - For the individual market only; or
 - For the small group market only.

Federal Guidance may be accessed at: <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Limited-Non-Enforcement-Policy-Extension-Through-CY2020.pdf>

The Life and Health Division will be issuing additional, more specific guidance on this issue in the near future. In the interim, should you have any questions, please send those the L&H inbox at L&Hinbox@ncdoi.gov or call (919) 807-6055.