

To: Insurers in the N.C. Individual and Small Group Comprehensive Health Insurance Markets

From: Life and Health Division

Date: March 7, 2014

RE: Extension of Federal Transition Policy in North Carolina

N.C. Commissioner Wayne Goodwin continues to 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 extension of the federal Transitional Policy in the individual and small group markets through October 1, 2016 as announced by the Center for Consumer Information and Insurance Oversight (CCIIO) on March 5, 2014. Commissioner Goodwin encourages insurers to offer transitional relief, or to extend such relief if previously provided, in order 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 have reissued or will reissue a plan of insurance under the transitional policy anytime in 2014 may renew such plans at any time through October 1, 2016, and affected individuals and small businesses may choose to re-enroll in such coverage through October 1, 2016.
- Health insurers whose 2013 plans renew anytime between March 5, 2014 and December 31, 2014 (including any plans that insurers early renewed in late 2013) may choose to implement the transitional policy for any remaining portion of the 2014 plan year (i.e. apply the transitional policy to “early renewals” from late 2013), and affected individuals and small business may choose to re-enroll in such coverage through October 1, 2016.
- Health insurers may choose to provide transitional relief for large businesses that currently purchase insurance in the large group market but that, for plan years beginning on or after January 1, 2016, will be redefined as small business purchasing insurance in the small group market.

(Continued)

Federal Guidance may be accessed at: <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/transition-to-compliant-policies-03-06-2015.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 to Jean Holliday at jean.holliday@ncdoi.gov or 919-807-6061.