

December 1, 2023

Andrew Schallhorn, Co-Chair
Rachel Bowden, Co-Chair
NAIC Accident and Sickness Insurance Minimum Standards (B) Working Group

Sent via email to JMatthews@naic.org

Dear Mr. Schallhorn and Ms. Bowden,

Thank you for the opportunity to provide comments to the Accident and Sickness Insurance Minimum Standards (B) Subgroup on the most recent working draft of Model #171, the Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act.

AHIP is providing the following comments in response to the notes included in the draft for further review, discussion, and/or consideration:

Section 6. Definitions

- Definition of “preexisting condition” for short-term, limited duration health insurance

The Supplementary and Short-Term Health Insurance Minimum Standards Model Act (Model 170) reflects a clear distinction between standards for short-term limited duration insurance (STLDI) and the supplemental coverages governed under the Model. AHIP appreciates the Subgroup’s work to maintain this distinction in Model 171.

In order to further establish and maintain this distinction, AHIP recommends the Subgroup create a separate preexisting condition definition that reflects the difference between the major medical coverage provided by STLDI and supplemental coverage. Supplemental products are substantially different from major medical coverage, a fact that HIPAA, the ACA, several NAIC Model Acts, and subsequent regulations acknowledged by excluding supplemental coverages from many of the requirements, including preexisting condition provisions, applicable to comprehensive medical coverage. Supplemental health insurance products are not intended to be a substitute for comprehensive major medical coverage. These products provide valuable benefits with low-premium cost because insurers can underwrite appropriate to the expected selection.

The definition of “preexisting condition” created by the Subgroup for the products covered by the model, excluding STLDI, recognizes that a majority of these products are guaranteed renewable and will likely be held by the insured for multiple years. The definition is appropriate for the products to which it is applied.

On the other hand, a more stringent definition created specifically to reflect the reduced duration of STLDI plans would not be appropriate to apply to supplemental products and would increase both adverse selection and premiums for supplemental products.

- Definition of “total disability”

AHIP supports the definition of “total disability” as included in the working draft.

Section 7. Prohibited Policy Provisions

- Cosmetic surgery in 7(D)(5)

AHIP supports the provision as included in the working draft.

- Preexisting Condition Coverage in 7(E)

AHIP supports the continued inclusion of this provision in the model. If the provision were to be struck, then the model would include no regulation for the structure or use of these waivers or for the consumer disclosure and acceptance of new waivers.

Section 8. Supplementary and Short-Term Health Insurance Minimum Standards for Benefits

- Use/Replacement of “Spouse”

AHIP recommends the Subgroup keep the term “spouse” in the model and include a drafting note recommending that each state insert replacement or additional terms in accordance with their state laws.

- Retirement age in 8(A)(2)(c)

AHIP recommends the provision remain in its current form.

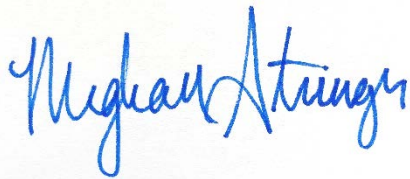
- Recurrent Disabilities Provisions

AHIP recommends the Subgroup leave this provision in Section 8(A) – General Rules, as these provisions are not applied solely to disability income protection products. Moving the provision to Section 8(C) would remove the consumer protections for those other products.

December 1, 2023
Page 3

AHIP appreciates the opportunity to provide the Supgroup with our comments. If you have any questions or would like to discuss our comments, please reach out to us via email (mstringer@ahip.org or scoronel@ahip.org) or contact AHIP consultant Chris Peterson at (202) 247-0316.

Thank you,



Meghan Stringer
Senior Policy Advisor
Product and Commercial Policy



Susan Coronel
Executive Director
Product Policy