August 10, 2018

J.P. Wieske, Chair
NAIC Accident and Sickness Insurance
Minimum Standards (B) Subgroup
444 North Capitol Street NW
Suite 701
Washington, DC 20001

Re: Comments on the Model 170 Revised Working Draft

Dear Mr. Wieske,

Health Insurance Innovations, Inc. ("HIIQ") is a technology company that uses its detailed and specialized insight in health insurance markets to partner with carriers to develop, distribute, and deliver affordable health insurance products to consumers. Given our unique position in the market, we regularly participate in comprehensive review and analysis of proposed rules, regulations, and legislation that could affect consumers. In addition, we conduct analyses of how certain rules and regulations might affect the overall health insurance market and we provide relevant data to consumers and industry stakeholders. As a consumer advocate, we take pride in allocating resources to deliver unbiased data and policy recommendations in the best interest of the public.

HIIQ and our leadership are appreciative of this opportunity to provide comments with respect to the latest available draft of Model Act #170. On August 3, 2018, the final rule, entitled “Short-Term, Limited-Duration Insurance”, was published in the Federal Register. This rule adjusted the definition of short-term, limited-duration insurance to allow for a maximum initial contract term of less than 12 months and, considering renewals or extensions, has a duration of no longer than 36 months.\(^1\) Since these federal changes are effective on 10/2/2018, it is now necessary for the subgroup to make similar changes to Model Act #170 as it relates to short-term, limited-duration insurance.

We have revisited the language in the Model Act and suggest the following revisions to comport with the federal rule:

\[ J. \text{ "Short-term, limited-duration insurance" means health insurance coverage provided pursuant to a contract with a health carrier that has an expiration date specified in the contract that is no less than } [X] \text{ months after the original effective date of the contract and, taking into account any} \]

extensions that may be elected by the policyholder without the carrier’s consent), that is less has a duration of no longer than \([X]\) months after the original effective date of the contract in total.

Drafting Note: Subsection J does not include a potential maximum length of coverage for short-term, limited-duration insurance. States have established different durations of coverage for short-term, limited-duration insurance. Some states have established a 12-month maximum duration of coverage, while others have established a three-month maximum. In addition, some states provide that such coverage may not be renewed or extended, while other states have no such provisions regarding renewal or extension. The current federal regulations establish a maximum twelve three-month duration of coverage, with a maximum total duration, including renewals or extensions, of no longer than 36 months in total. The proposed federal regulations, as published in the Federal Register Feb. 21, 2018, propose a maximum 12-month duration of coverage. States should carefully examine their health insurance marketplace to determine the appropriate maximum duration of coverage for short-term, limited-duration insurance in their state, including whether renewability or extension of such coverage is appropriate.

We believe that the NAIC Model Act #170 should incorporate language from the newly published federal rule to give the states maximum ability to regulate based on the needs of consumers in their markets without imposing any undue limitations on this product or any other. We appreciate the opportunity to offer these comments to the subgroup and look forward to any other opportunities to assist the subgroup as necessary.

Sincerely,

Daniel Garavuso, VP, Compliance
Health Insurance Innovations