

## FROM THE NAIC CONSUMER REPRESENTATIVES

To: Accident and Sickness Insurance Minimum Standards (B) Subgroup  
Jolie Matthews

Date: November 18, 2022

**Re: Comments on Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act (#171), Sections 9 and 10**

The undersigned NAIC consumer representatives write to offer comments on the Model Regulation to Implement the Accident and Sickness Insurance Minimum Standards Model Act (#171). The consumer representatives have worked closely with state regulators and interested parties to advise regulators on changes to Model Law 170 since the Subgroup began its work in 2015, and we look forward to continuing to engage in this process on Model Regulation 171.

Sections 9 and 10 of the Model Regulation offer significant opportunities to provide consumers with essential disclosures about these policies. While disclosures and other information are not a substitute for protecting consumers with strong minimum standards, furnishing information in a clear and accessible manner has the potential to help consumers understand their plan options and determine whether to enroll in these products.

As we have stated in previous letters, many consumer representatives with expertise in this area stand ready to help with this work. As such, before the Subgroup finalizes Model Regulation 171, we recommend that it convene a smaller working group (made up of regulators, consumer representatives, and industry stakeholders) to revise the current disclosure language and requirements in Section 9. These important documents on supplementary and short-term health products must comply with standards regarding health insurance literacy and consumer comprehension. Use of a small working group to draft language would be parallel to the collaborative and highly effective process utilized by the Consumer Information (B) Subgroup in its work regarding the Summary of Benefits and Coverage.

We also note that during the Subgroup's call on Monday, November 14<sup>th</sup>, there was much discussion about additional items that should be included in the disclosure sections. Many of the issues raised in that call would be beneficial to consumers. Unfortunately, given time constraints we were unable to include those issues in our comments and at this time it is unknown the extent to which that discussion would be in other stakeholder's comments. We believe that robust discussions like the issues raised on the November 14<sup>th</sup> call are yet another reason why the Subgroup should convene a smaller working group to revise the disclosure requirements once the Subgroup has concluded its review of the Model.

As the Subgroup works to revise Model Regulation 171 Section 9's Required Disclosure Provisions, we strongly urge the Subgroup to abide by certain overarching principles:

- Retain and expand the current model's approach of tailoring disclosures by product type

- Use uniform definitions to aid in clear communication of product attributes to consumers, including the duration, type of product, how cost-sharing works, and policy limitations and exclusions
- Incorporate uniform coverage examples similar to those in the Summary of Benefits and Coverage
- Ensure that the limitations of coverage are clearly explained
- Ensure that online display and plan information foster consistency and clarity
- Follow standards for clear communication to consumers

The below line edits are intended to be preliminary and will need further refinement as the Subgroup finishes its work on prior sections of the Model Regulation.

If you have questions, please contact Lucy Culp at [lucy.culp@lls.org](mailto:lucy.culp@lls.org) or Anna Schwamlein Howard at [anna.howard@cancer.org](mailto:anna.howard@cancer.org).

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**Section 89. Required Disclosure Provisions**

**A. General Rules**

~~(1) Any disclosures, and the documents to which they refer, must be delivered in the same written medium as the application to consumers. These documents must be provided available no later than at least 24 hours before a completed application is submitted by the consumer to the issuer.~~

~~(2)(a) All applications for coverages specified in Sections 78B, Hospital Indemnity or Other Fixed Indemnity Coverage, C, D, E, F, G, I, J, K and L and H shall contain a prominent statement in a Sans Serif font. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. by type, stamp or other appropriate means in either contrasting color or in boldface type. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be made placed and in close conjunction with proximity to the applicant's signature block on the application.~~

~~(b) The statement referenced in clause (2)(a) must be made accessible and available to the potential applicants whether they view the application online or in written form. The statement must be accessible to potential all potential applicants. All interested parties must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness and/or hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:~~

~~"The [policy] [certificate] only provides pays a fixed dollar benefit for hospital stays or another other covered health-related event, regardless of the amount of how much your expenses incurred are. Carefully review your [policy] [certificate] to understand what health-related events [policy] [certificate] it are covered before you deciding whether to submit an application."~~

~~**Drafting Note:** The words "fixed dollar amount" should be prominent. They may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. "The [policy] [certificate] provides limited benefits. Review your [policy] [certificate] carefully."~~

~~(3)(a) All applications for coverages specified in Section 8C, Disability Income Protection Coverage, shall contain a prominent statement in a Sans Serif font. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be placed made in close proximity to conjunction with the applicant's signature block on the application.~~

~~(b) The statement referenced in clause (23)(a) must be made accessible and available to potential policyholders applicants whether they view the application online or in written form. The statement must be accessible to All interested parties potential applicants must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness and hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:~~

~~"The [policy] [certificate] only provides for periodic [weekly or monthly] payments; [weekly or monthly] for a specified set time when you are disabled period during the continuance of disability resulting from either sickness or injury or a combination of them both. Review your [policy] [certificate] carefully to understand the circumstances when such when it would cover a disability would be covered, before you deciding whether to submit an application."~~

~~(4)(a) All applications for coverages specified in Section 8D, Accident Only Coverage, shall contain a prominent statement in a Sans Serif font. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement~~

**Commented [BB1]:** Presumes the regulation will be changed to require the availability of the [policy] [certificate] before application.

**Commented [BJC2]:** Each statement may ultimately have a drafting note to indicate what should be prominent in the statement.

must be ~~made placed~~ in close proximity to ~~the junction with~~ the applicant's signature block on the application.

- (b) The statement referenced in clause (4)(a) must be made ~~accessible and~~ available to potential applicants ~~policyholders~~ whether they view the application online or in written form. The statement must be accessible to ~~All interested parties~~ potential applicants ~~must have access to the statement~~, including those with disabilities such as blindness or macular degeneration, deafness ~~and~~ hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:

"The [policy] [certificate] only provides coverage, ~~singly or in combination~~ for death, dismemberment, disability or hospital and medical care caused by accident. Carefully review the [policy] [certificate] to understand what accidents ~~it are~~ covered, before you ~~decideing~~ whether to submit an application."

Commented [BB3]: Cannot edit as we do not understand the meaning of the phrase "singly or in combination."

**Drafting Note:** The words "caused by an accident" in the first sentence should be prominent. They may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

- (5)(a) All applications for coverages specified in Section 8E, Specified Disease Coverage, shall contain a prominent statement in a Sans Serif font. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be ~~made placed~~ in close proximity to ~~the junction with~~ the applicant's signature block on the application.

- (b) The statement referenced in clause (5)(a) must be made ~~accessible and~~ available to potential applicants ~~policyholders~~ whether they view the application online or in written form. The statement must be accessible to ~~All interested parties~~ potential applicants ~~must have access to the statement~~, including those with disabilities such as blindness or macular degeneration, deafness ~~and~~ hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:

"The [policy] [certificate] only pays limited benefits for ~~the~~ ~~diagnoseis~~ and treatment of ~~specifically named~~ disease(s) named in the [policy] [certificate] ~~or~~ diseases. Review your [policy] [certificate] carefully to ~~see~~ learn what specific disease(s) ~~or~~ diseases ~~are~~ covered, before you ~~decideing~~ whether to submit an application."

- (6)(a) All applications for coverages specified in Section 8F, Specified Accident Coverage, shall contain a prominent statement in a Sans Serif font. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be ~~made placed~~ in close proximity to ~~the junction with~~ the applicant's signature block on the application.

(b) The statement referenced in clause (6)(a) must be made ~~accessible and~~ available to potential ~~policyholders~~ applicants whether they view the application online or in written form. The statement must be accessible to ~~All interested parties~~ potential applicants ~~must have access to the statement~~, including those with disabilities such as blindness or macular degeneration, deafness ~~and~~ hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:

"The [policy] [certificate] only provides coverage for ~~a some identified kind of accident (or accidents)~~ for each person insured under the policy for accidental death or accidental death and dismemberment combined and then only if it is caused by a type of accident named in the [policy] [certificate]. Carefully review the [policy] [certificate] to understand what type(s) of accidents ~~are~~ covered, before you ~~decideing~~ whether to submit an application."

~~(7)(a) All applications for coverages specified in Section 8G, Limited Benefit Health Coverage, shall contain a prominent statement in a Sans Serif font. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be ~~made~~placed in close proximity to ~~conjunction with~~ the applicant's signature block on the application.~~

~~(b) The statement referenced in clause (7)(a) must be made ~~accessible and~~ available to potential ~~policyholders~~ applicants whether they view the application online or in written form. The statement must be accessible to ~~All interested parties~~ potential applicants ~~must have access to the statement~~, including those with disabilities such as blindness or macular degeneration, deafness ~~and~~ hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:~~

~~"The [policy] [certificate] only covers ~~specified~~ disease(s) named in the [policy] [certificate] ~~or diseases~~. Review the [policy] [certificate] carefully to ~~see~~learn what specific disease(s) ~~it~~ or diseases ~~are covered~~, before you ~~decide~~ing whether to submit an application."~~

~~(8)(a) All applications for coverages specified in Section 8H, Short-Term, Limited-Duration Health Insurance Coverage, shall contain a prominent statement in a Sans Serif font. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be ~~made~~placed in close proximity to ~~conjunction with~~ the applicant's signature block on the application.~~

~~(b) The statement referenced in clause (8)(a) must be made ~~accessible and~~ available to potential ~~policyholders~~ applicants whether they view the application online or in written form. The statement must be accessible to ~~All potential applicants~~ interested parties ~~must have access to the statement~~, including those with disabilities such as blindness or macular degeneration, deafness ~~and~~ hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:~~

~~"The [policy] [certificate] only covers ~~specified~~ healthcare expenses named in the [policy] [certificate]. ~~It~~and may not cover ~~selected~~all pre-existing conditions. Carefully review the [policy] [certificate] to understand what health care expenses ~~are~~it covered and what pre-existing conditions ~~may be~~it will not covered ~~or excluded~~, before you ~~decide~~ing whether to submit an application."~~

~~**Drafting Note:** The sentence "It may not cover all pre-existing conditions." should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.~~

~~(9)(a) All applications for dental plans shall contain a prominent statement in a Sans Serif font. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be ~~made~~placed in close ~~conjunction with~~ proximity to the applicant's signature block on the application.~~

~~(b) The statement referenced in clause (9)(a) must be made ~~accessible and~~ available to potential ~~policyholders~~ applicants whether they view the application online or in written form. The statement must be accessible to ~~All potential applicants~~ interested parties ~~must have access to the statement~~, including those with disabilities such as blindness or macular degeneration, deafness ~~and~~ hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows: ~~by type, stamp or other appropriate means in either contrasting color or in boldface type at least equal to the size type used for the headings or captions of sections of the application and in close conjunction with the applicant's signature block on the application as follows:~~~~

“The [policy] [certificate] ~~provides-pays~~ dental benefits only. ~~It is not intended to cover all dental expenses.~~ Review your [policy] [certificate] carefully ~~to understand what dental services it are covered and any cost sharing that might apply~~ may be your responsibility before you decide whether to submit an application~~ent.~~”

**Drafting Note:** The sentence “It is not intended to cover all dental expenses.” should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

(103)(a) All applications for vision plans shall contain a prominent statement ~~in a Sans Serif font. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be made placed in close conjunction with proximity to the applicant’s signature block on the application.~~

(b) ~~The statement referenced in clause (10)(a) must be made accessible and available to potential policyholders-applicants whether they view the application online or in written form. The statement must be accessible to All potential applicants interested parties must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness and/or hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these.~~

~~The statement shall read as follows: by type, stamp or other appropriate means in either contrasting color or in boldface type at least equal to the size type used for the headings or captions of sections of the application and in close conjunction with the applicant’s signature block on the application as follows:~~

“The [policy] [certificate] ~~provides-pays~~ vision benefits only. ~~It is not intended to cover all vision expenses.~~ Review your [policy] [certificate] carefully ~~to understand what vision services are covered and any cost sharing that might apply~~ before you decide whether to submit an application.”

**Drafting Note:** The sentence “It is not intended to cover all vision expenses.” should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

(114) Each policy of individual ~~accident and sickness insurance and group supplemental health insurance supplementary or short-term health insurance subject to this regulation, as provided in Section 3A of this regulation,~~ shall include a renewal, continuation or nonrenewal provision. The language or specification of the provision shall be consistent with the type of contract to be issued. The provision shall be appropriately captioned, shall appear on the first page of the policy, and shall clearly state the duration, where limited, of renewability and the duration of the term of coverage for which the policy is issued and for which it may be renewed.

(125) ~~Except for riders or endorsements by which the insurer effectuates a request made in writing by the policyholder or exercises a specifically reserved right under the policy, all riders or endorsements added to a policy after date of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the policy shall require signed acceptance by the policyholder. After date of policy issue, any rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the policy term must be agreed to in writing signed by the policyholder, except if the increased benefits or coverage is required by law. The signature requirements in this paragraph applies to group supplemental health insurance certificates only where the certificate holder also pays the insurance premium.~~

(136) Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy or certificate ~~and the combined total premium clearly identified as such.~~

(147) A policy or certificate that provides for the payment of benefits based on standards described as “usual and customary,” “reasonable and customary,” or words of similar import shall include a definition of the terms and an explanation of the terms in its accompanying outline of coverage.

(158) If a policy or certificate contains any limitations with respect to preexisting conditions, the limitations shall appear as a separate paragraph of the policy or certificate and be labeled as “Preexisting Condition Limitations.”

(9) ~~All accident-only policies and certificates shall contain a prominent statement on the first page of the policy or certificate, in either contrasting color or in boldface type at least equal to the size of type used for headings or captions of sections in the policy or certificate, a prominent statement as follows:~~

~~“Notice to Buyer: This is an accident only [policy][certificate] and it does not pay benefits for loss from sickness. Review your [policy][certificate] carefully.”~~

~~Accident-only [policies][certificates] that provide coverage for hospital or medical care shall contain the following statement in addition to the Notice to Buyer above: “This [policy][certificate] provides limited benefits. Benefits provided are supplemental and are not intended to cover all medical expenses.”~~

(1640) All policies and certificates, except single-premium nonrenewable policies and as otherwise provided in this paragraph, shall have a notice prominently printed in a Sans Serif font on the first page of the policy or certificate or attached to it stating in substance clearly that the policyholder or certificate holder shall have the right to return the policy or certificate within thirty [30] days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the policyholder or certificate holder is not satisfied for any reason. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

**Drafting Note:** This section should be included only if the state has legislation granting authority.

(1744) If age is to be used as a determining factor ~~for to reduce~~ ding the ~~maximum aggregate~~ benefits made available in the policy or certificate as originally issued, that fact shall be prominently set forth in the outline of coverage. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

(1842) If a policy or certificate contains a conversion privilege, it shall comply, in substance, with the following: The caption of the provision shall be “Conversion Privilege” or words of similar import. The provision shall indicate the persons eligible for conversion, the circumstances applicable to the conversion privilege, including any limitations on the conversion, and the person ~~by whom~~ who may exercise the conversion privilege ~~may be exercised~~. The provision shall specify the benefits to be provided on conversion or may state that the converted coverage will be as provided on a policy form then being used by the insurer for that purpose.

(1943) (a) Outlines of coverage delivered in connection with policies defined in this regulation as hospital ~~confinement~~ inpatient indemnity ~~or other fixed indemnity~~ (Section ~~7E8B~~) , specified disease (Section ~~7J8E~~) , or limited benefit health coverages (Section ~~7L8G~~) to persons eligible for Medicare by reason of age shall contain, in addition to the requirements of Subsections ~~FD~~ and ~~JE~~ , the following language, which shall be printed on or attached to the first page of the outline of coverage:

~~“This IS NOT A MEDICARE SUPPLEMENT is not a Medicare Supplement policy. If you are eligible for Medicare, review ask the company for the Guide to Health Insurance for People w/With Medicare available from the company. Review your [policy] [certificate] carefully before you decide whether to submit an application.”~~

**Drafting Note:** The sentence “This is not a Medicare Supplement policy.” should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

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(b) An insurer shall deliver to persons eligible for Medicare any notice required under [insert reference to state law equivalent of Section 17D of the *Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act*].

(2014) Insurers, ~~except direct response insurers,~~ shall give a person applying for specified disease insurance a Buyer's Guide approved by the commissioner at the time of application enrollment and shall obtain all recipients' written acknowledgement of the guide's delivery. ~~Direct response insurers shall provide the Buyer's Guide upon request but not later than the time that the policy or certificate is delivered.~~

(15) ~~\_\_\_\_\_ All specified disease policies and certificates shall contain on the first page or attached to it in either contrasting color or in boldface type at least equal to the size type used for headings or captions of sections in the [policy][certificate], a prominent statement as follows: **Notice to Buyer:** This is specified disease [policy][certificate]. This [policy][certificate] provides limited benefits. Benefits provided are supplemental and are not intended to cover all medical expenses. Read your [policy][certificate] carefully with the outline of coverage and the Buyer's Guide.~~

**Drafting Note:** ~~The second sentence of this caption should only be required in those states where the commissioner exercises discretionary authority and requires the guide.~~

(2146) (a) ~~\_\_\_\_\_ All hospital **confinement** indemnity or other fixed indemnity policies and certificates shall display prominently by type, stamp or other appropriate means contain a prominent statement in a Sans Serif font on the first page of the policy or certificate. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be ~~made~~ placed in close conjunction with proximity to the applicant's signature block on the application.~~

(b) ~~\_\_\_\_\_ The statement must be made **accessible and** available to potential policyholders applicants whether they view the application online or in written form. All potential applicants interested parties must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness ~~and~~ hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows: ~~or attached to it, in either contrasting color or in boldface type at least equal to the size type used for headings or captions of sections in the [policy][certificate] the following:~~~~

~~“**Notice to Buyer:** This is a [hospital **confinement** indemnity] [~~or other fixed indemnity~~] [policy][certificate]. This [policy][certificate] ~~provides pays~~ limited benefits. ~~An~~ They ~~b~~Benefits provided are ~~intended to supplement your other health insurance coverage.~~ Benefits ~~at~~ and are ~~not~~ intended to cover all medical expenses. ~~In the last year, the average cost of a day of hospital care in the US was \$xxx on average.~~ Review your [policy][certificate] carefully before you decide whether to submit an application.”~~

~~\_\_\_\_\_ **Drafting Note:** The sentence “This [policy][certificate] ~~pays~~ provides limited benefits.” and the word “not” in the fourth sentence should be prominent. Both may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.~~

(bc) ~~\_\_\_\_\_ For all “hospital indemnity or other fixed indemnity” products sold in the individual market, a notice must be displayed prominently in the application materials in at least 14 point Sans Serif type that has the following language: “This product is intended to supplement your other health insurance. It ~~and~~ is not a substitute for major medical coverage. THIS IS INTENDED TO A SUPPLEMENT TO HEALTH INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE.” The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.~~

(22) ~~\_\_\_\_\_ All disability income protection policies and certificates shall display a statement prominently in a Sans Serif font by type, stamp or other appropriate means on the first page of the policy or certificate.~~



The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be ~~made placed in close conjunction with proximity to the applicant's signature block on the application.~~

The statement must be made ~~accessible and available to policyholders~~ potential applicants whether they view the application online or in written form. All ~~potential applicants interested parties~~ must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness and hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:

**“Notice to Buyer:** This is a disability income protection [policy] [certificate]. This [policy] [certificate] only provides for [weekly] [monthly] periodic payments ~~weekly or monthly, for a specified period during the continuance of disability resulting set period when you are disabled from either sickness or injury or a combination of both them. These p~~ Payments are made directly to you ~~and are intended to supplement or replace part of your income. This [policy] [certificate]; does they do not pay your healthcare provider for medical services. Any b~~ Benefits provided are supplemental and are not intended to cover all medical expenses ~~replace all of your income. Review your [policy] [certificate] carefully before you decide whether to submit an application.”~~

**Drafting Note:** The last two sentences should be prominent. Both may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

- (2317) (a) ~~— All accident-only policies and certificates shall display a statement prominently in a Sans Serif font by type, stamp or other appropriate means on the first page of the policy or certificate. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be made placed in close conjunction with proximity to the applicant's signature block on the application.~~

The statement must be made ~~accessible and available to policyholders~~ potential applicants whether they view the application online or in written form. All ~~potential applicants interested parties~~ must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness ~~and~~ hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:

**“Notice to Buyer:** This is an accident-only [policy] [certificate], ~~and it does not pay benefits for any other medical purposes~~ expenses that are not related to a covered accident, ~~including sickness.~~ Review your [policy] [certificate] carefully before you decide whether to submit an application.”

**Drafting Note:** The word “not” in the second sentence should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

(b) ~~— Accident-only [policies] [certificates] that provide coverage for hospital or medical care shall contain the following statement in addition to the Notice to Buyer above: “This [policy] [certificate] provides pays limited benefits. The benefits provided are intended to supplement existing your other health insurance coverage. Benefits and are not intended to cover all medical expenses.”~~

**Drafting Note:** The sentence “Benefits are not intended to cover all medical expenses.” should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

- (24) ~~All specified disease policies and certificates shall display a statement prominently in a Sans Serif font by type, stamp or other appropriate means on the first page of the policy or certificate. The~~

statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be ~~made placed in close conjunction with proximity to the applicant's signature block on the application.~~

The statement must be made ~~accessible and~~ available to ~~policyholders~~ potential applicants whether they view the application online or in written form. All ~~interested parties~~ potential applicants must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness ~~and~~ hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:

**“Notice to Buyer:** This is a specified disease [policy] [certificate]. This policy [certificate] ~~provides~~ pays limited benefits only for health care related to the disease the policy specifies. Any benefits provided are intended to supplement ~~existing~~ your other health insurance coverage. The benefits ~~and~~ are not intended to cover all medical expenses. Read your [policy] [certificate], ~~carefully with the outline of coverage, and the Buyer's Guide~~ carefully before you decide whether to submit an application.”

**Drafting Note:** The second sentence of this caption should only be required in those states where the commissioner exercises discretionary authority and requires the guide.

**Drafting Note:** The sentence “The benefits are not intended to cover all medical expenses.” should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

(25) ~~All specified accident coverage policies and certificates shall display a statement prominently by type, stamp or other appropriate means in a Sans Serif font on the first page of the policy or certificate. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be ~~made placed~~ in close ~~conjunction with~~ proximity to the applicant's signature block on the application.~~

The statement must be made ~~accessible and~~ available to ~~policyholders~~ potential applicants whether they view the application online or in written form. All ~~interested parties~~ potential applicants must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness ~~and~~ or hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:

**“Notice to Buyer:** This is a specified accident [policy] [certificate]. This policy [certificate] ~~provides~~ pays limited benefits only for health care related to ~~an~~ the type(s) of accident(s) named in ~~as the~~ [policy] [certificate] specifies. Any benefits provided are ~~are~~ intended to supplement ~~existing~~ your other health insurance coverage. The benefits ~~and~~ are not intended to cover all medical expenses. Read your [policy] [certificate], ~~carefully with the outline of coverage, and the Buyer's Guide~~ carefully before you decide to submit an application.”

**Drafting Note:** The second sentence of this caption should only be required in those states where the commissioner exercises discretionary authority and requires the guide.

**Drafting Note:** The sentence “The benefits are not intended to cover all medical expenses.” should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

**Commented [BB4]:**

**Commented [BB5R4]:** Would this be the "Shopper's Guide to Cancer Insurance"? Last updated in 2006.

**Commented [BB6]:** Is there a buyer's guide for accident insurance?

(26) All limited benefit health policies and certificates shall display a statement prominently by type, stamp or other appropriate means in a Sans Serif font on the first page of the policy or certificate. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be placed in close conjunction with proximity to the applicant's signature block on the application.

The statement must be made accessible and available to policyholders/potential applicants whether they view the application online or in written form. All interested parties/potential applicants must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness and/or hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows, or attached to it, in either contrasting color or in boldface type at least equal to the size type used for headings or captions of sections in the [policy][certificate] the following:

**“Notice to Buyer:** This is a limited benefit health [policy] [certificate]. This [policy][certificate] provides ~~The limited benefits and are~~ intended to ~~Benefits provided are~~ supplement your other health insurance coverage. The benefits ~~and~~ are not intended to cover all medical expenses. Read your [policy] [certificate], the outline of coverage, and the Buyer's Guide carefully before you decide whether to submit an application.”

**Drafting Note:** The sentence “The benefits are not intended to cover all medical expenses.” should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

(27) All short-term, limited-duration health insurance policies and certificates shall display a statement prominently by type, stamp or other appropriate means in a Sans Serif font on the first page of the policy or certificate. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be placed in close conjunction with proximity to the applicant's signature block on the application.

The statement must be made accessible and available to policyholders/potential enrollees whether they view the application online or in written form. All potential enrollees/interested parties must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness and hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows:

**“Notice to Buyer:** This is a short-term, limited-duration health insurance [policy] [certificate]. This is not comprehensive health insurance. This [policy] [certificate] only covers ~~specified~~ healthcare expenses named in your [policy] [certificate]. It ~~and~~ may not cover services for pre-existing conditions or services like [categories of benefits not covered]. ~~This plan may not cover all of your medical expenses. You will have to pay out of pocket for the health care services this [policy] [certificate] does not cover, unless you have other health insurance. Review your [policy] [certificate] carefully before you decide whether to submit an application.”~~

**Drafting Note:** The sentence “This is not comprehensive health insurance.” should be prominent. They may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

(18) All basic hospital expense policies and certificates shall display prominently by type, stamp or other appropriate means on the first page of the policy or certificate, or attached to it, in either contrasting color or in boldface type at least equal to the size type used for headings or captions of sections in the [policy][certificate] the following:

**“Notice to Buyer:** This is a basic hospital expense [policy][certificate]. This [policy][certificate] provides limited benefits and should not be considered a substitute for comprehensive health insurance coverage.”

**Commented [BB7]:** Is an outline of coverage required? Is there a Buyer's Guide?

~~(19) All basic medical-surgical expense policies and certificates shall display prominently by type, stamp or other appropriate means on the first page of the policy or certificate, or attached to it, in either contrasting color or in boldface type at least equal to the size type used for headings or captions of sections in the [policy][certificate] the following:~~

~~“Notice to Buyer: This is a basic medical-surgical expense [policy][certificate]. This [policy][certificate] provides limited benefits and should not be considered a substitute for comprehensive health insurance coverage.”~~

~~(20) All basic hospital/medical-surgical expense policies and certificates shall display prominently by type, stamp or other appropriate means on the first page of the policy or certificate, or attached to it, in either contrasting color or in boldface type at least equal to the size type used for headings or captions of sections in the [policy][certificate] the following:~~

~~“Notice to Buyer: This is a basic hospital/medical-surgical expense [policy][certificate]. This [policy][certificate] provides limited benefits and should not be considered a substitute for comprehensive health insurance coverage.”~~

~~(21) All individual basic medical expense policies shall display prominently by type, stamp or other appropriate means on the first page of the policy, or attached to it, in either contrasting color or in boldface type at least equal to the size type used for headings or captions of sections in the policy the following:~~

~~“Notice to Buyer: This is an individual basic medical expense policy. This policy provides benefits that are not as comprehensive as individual major medical expense coverage and should not be considered a substitute for comprehensive health insurance coverage.”~~

~~(22)(2818) All limited scope dental plan coverage policies and certificates shall display a statement prominently by type, stamp or other appropriate means in a Sans Serif font on the first page of the policy or certificate. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be made placed in close conjunction with proximity to the applicant’s signature block on the application.~~

~~The statement must be made accessible and available to policyholder potential enrollees whether they view the application online or in written form. All interested parties potential enrollees must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness and hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read as follows: or attached to it, in either contrasting color or in boldface type at least equal to the size type used for headings or captions of sections in the [policy][certificate] the following:~~

~~“Notice to Buyer: This [policy] [certificate] provides pays dental benefits only. It is not intended to cover all dental expenses or any other healthcare expenses. Review your [policy] [certificate] carefully to understand what dental services are covered and any cost sharing that might apply before you decide whether to submit an application.”~~

~~Drafting Note: The sentence “It is not intended to cover all dental expenses or any other healthcare expenses.” should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.~~

~~(23)(2919) All limited scope vision plan coverage policies and certificates shall display a statement prominently by type, stamp or other appropriate means in a Sans Serif font on the first page of the policy or certificate. The statement may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics. The font size must be at least equal to the size type used for the headings or captions of sections of the application. The statement must be made placed in close conjunction with proximity to the applicant’s signature block on the application.~~

~~The statement must be made accessible and available to policyholders potential enrollees whether they view the application online or in written form. All interested parties potential enrollees must have access to the statement, including those with disabilities such as blindness or macular degeneration, deafness and hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity, and combinations of these. The statement shall read~~

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as follows; or attached to it, in either contrasting color or in boldface type at least equal to the size type used for headings or captions of sections in the [policy][certificate] the following:

**“Notice to Buyer:** This [policy] [certificate] ~~provides~~ **pays** vision benefits only. ~~It is not intended to cover all vision benefits or any other healthcare expenses. Review your [policy] [certificate] carefully to understand what services are covered and any cost sharing that might apply before you decide whether to apply.”~~

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**Drafting Note:** The sentence “It is not intended to cover all vision expenses or any other healthcare expenses.” should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

#### B. Outline of Coverage Requirements

- (1) An insurer shall deliver an outline of coverage to an applicant ~~or enrollee in prior to~~ the sale of ~~all applicable plans: individual accident and sickness insurance, group supplemental supplementary and short term health insurance, limited scope dental plan coverage and limited scope vision plans coverage~~ as required in Section 76 of the Act.
- (2) ~~If an outline of coverage was delivered at the time of application or enrollment and the policy or certificate is issued on a basis which would require revision of the outline, a~~ substitute outline of coverage ~~must be provided to enrollees and applicants when renewing the policy. The substitute outline must properly describe~~ ~~ing the renewed policy or certificate and must accompany the policy or certificate when it is delivered and contain the following statement in no less than twelve (12) point Sans Serif type, immediately above the company name:~~

**“NOTICE:** Read this outline of coverage carefully. It is ~~not identical to~~ **different from** the outline of coverage ~~provided upon you received when you [applied/ation] [enrollcdment].; and T~~ the coverage ~~you originally applied for was~~ **has not been issued.”**

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**Drafting Note:** The sentence “It is ~~different from the outline of coverage you received when you [applied] [enrolled].”~~ should be prominent. It may be made prominent in one or more of several ways, including using large font, leading, bolding, or italics.

- (3) ~~— The appropriate outline of coverage for policies or contracts providing hospital coverage that only meets the standards of Section 7B shall be that statement contained in Section 8C. The appropriate outline of coverage for policies providing coverage that meets the standards of both Sections 7B and C shall be the statement contained in Section 8E. The appropriate outline of coverage for policies providing coverage which meets the standards of both Sections 7B and E or Sections 7C and E or Sections 7B, C, and E shall be the statement contained in Section 8G.~~
- (4)(3) In any case where the prescribed outline of coverage is inappropriate for the coverage provided by the policy or certificate, an alternate outline of coverage shall be submitted to the commissioner for prior approval. ~~In such instances no policies may be sold or renewed until approved by the commissioner.~~
- (5)(4) Advertisements may fulfill the requirements for outlines of coverage if they satisfy the standards specified for outlines of coverage in Section 6H of the Act as well as this regulation.

#### C. ~~Basic Hospital Expense Coverage (Outline of Coverage)~~

~~An outline of coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of Section 7B of this regulation. The items included in the outline of coverage must appear in the sequence prescribed:~~

~~[COMPANY NAME]~~

#### ~~BASIC HOSPITAL EXPENSE COVERAGE~~

~~THIS [POLICY][CERTIFICATE] PROVIDES LIMITED BENEFITS AND SHOULD NOT BE CONSIDERED A SUBSTITUTE FOR COMPREHENSIVE HEALTH INSURANCE COVERAGE~~

~~OUTLINE OF COVERAGE~~

~~Read Your [Policy][Certificate] Carefully. This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you READ YOUR [POLICY][CERTIFICATE] CAREFULLY!~~

- ~~(2) Basic hospital coverage is designed to provide, to persons insured, coverage for hospital expenses incurred as a result of a covered accident or sickness. Coverage is provided for daily hospital room and board, miscellaneous hospital services and hospital outpatient services, subject to any limitations, deductibles and copayment requirements set forth in the policy. Coverage is not provided for physicians or surgeons fees or unlimited hospital expenses.~~
- ~~(3) [A brief specific description of the benefits, including dollar amounts and number of days duration where applicable, contained in this policy, in the following order:~~
  - ~~(a) Daily hospital room and board;~~
  - ~~(b) Miscellaneous hospital services;~~
  - ~~(c) Hospital out-patient services; and~~
  - ~~(d) Other benefits, if any.]~~

**Drafting Note:** The above description of benefits shall be stated clearly and concisely, and shall include a description of any deductible or copayment provision applicable to the benefits described.

- ~~(4) [A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (3) above.]~~
- ~~(5) [A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.]~~

~~D. Basic Medical Surgical Expense Coverage (Outline of Coverage)~~

~~An outline of coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of Section 7C of this regulation. The items included in the outline of coverage must appear in the sequence prescribed:~~

~~[COMPANY NAME]~~

~~BASIC MEDICAL SURGICAL EXPENSE COVERAGE~~

~~THIS [POLICY][CERTIFICATE] PROVIDES LIMITED BENEFITS AND SHOULD NOT BE CONSIDERED A SUBSTITUTE FOR COMPREHENSIVE HEALTH INSURANCE COVERAGE~~

~~OUTLINE OF COVERAGE~~

- ~~(1) Read Your [Policy][Certificate] Carefully. This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control your policy. The policy itself sets forth in detail the rights and~~

obligations of both you and your insurance company. It is, therefore, important that you READ YOUR [POLICY][CERTIFICATE] CAREFULLY!

- (2) ~~Basic medical surgical expense coverage is designed to provide, to persons insured, coverage for medical surgical expenses incurred as a result of a covered accident or sickness. Coverage is provided for surgical services, anesthesia services and in hospital medical services, subject to any limitations, deductibles and copayment requirements set forth in the policy. Coverage is not provided for hospital expenses fees or unlimited medical surgical expenses.~~
- (3) ~~[A brief specific description of the benefits, including dollar amounts and number of days duration where applicable, contained in this policy, in the following order:
  - (a) ~~Surgical services;~~
  - (b) ~~Anesthesia services;~~
  - (c) ~~In hospital medical services; and~~
  - (d) ~~Other benefits, if any]~~~~

**Drafting Note:** The above description of benefits shall be stated clearly and concisely, and shall include a description of any deductible or copayment provision applicable to the benefits described.

- (4) ~~[A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (3) above.]~~
- (5) ~~[A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.]~~

E. ~~Basic Hospital/Medical Surgical Expense Coverage (Outline of Coverage)~~

~~An outline of coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of Sections 7B and C of this regulation. The items included in the outline of coverage must appear in the sequence prescribed.~~

~~[COMPANY NAME]~~

~~BASIC HOSPITAL/MEDICAL SURGICAL EXPENSE COVERAGE~~

~~THIS [POLICY][CERTIFICATE] PROVIDES LIMITED BENEFITS AND SHOULD NOT BE CONSIDERED A SUBSTITUTE FOR COMPREHENSIVE HEALTH INSURANCE COVERAGE~~

~~OUTLINE OF COVERAGE~~

- (1) ~~Read Your [Policy][Certificate] Carefully This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore important that you READ YOUR [POLICY][CERTIFICATE] CAREFULLY!~~
- (2) ~~Basic hospital/medical surgical expense coverage is designed to provide, to persons insured, coverage for hospital and medical surgical expenses incurred as a result of a covered accident or sickness. Coverage is provided for daily hospital room and board, miscellaneous hospital services, hospital outpatient services, surgical services, anesthesia services, and in hospital medical services, subject to any limitations, deductibles and copayment requirements set forth in the policy. Coverage is not provided for unlimited hospital or medical surgical expenses.~~

(3) [A brief specific description of the benefits, including dollar amounts and number of days duration where applicable, contained in this policy, in the following order:

- (a) Daily hospital room and board;
- (b) Miscellaneous hospital services;
- (c) Hospital outpatient services;
- (d) Surgical services;
- (e) Anesthesia services;
- (f) In-hospital medical services; and
- (g) Other benefits, if any.]

**Drafting Note:** The above description of benefits shall be stated clearly and concisely, and shall include a description of any deductible or copayment provision applicable to the benefits described.

- (4) [A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (3) above.]
- (5) [A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.]

**FC. Hospital Confinement Indemnity or Other Fixed Indemnity Coverage (Outline of Coverage)**

An outline of coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of Section 7E8B of this regulation. The items included in the outline of coverage must appear in the sequence prescribed:

[COMPANY NAME]

[Hospital Indemnity] [Other Fixed Indemnity] Coverage

~~The~~ benefits in this [policy] [certificate] are limited. They are intended to supplement your other health insurance coverage. They are not intended to cover all medical expenses.

**Commented [BJC8]:** Add Drafting Notes about prominence. Avoid use of all caps.

~~HOSPITAL CONFINEMENT INDEMNITY [OR OTHER FIXED INDEMNITY] COVERAGE~~

~~THIS [POLICY][CERTIFICATE] PROVIDES LIMITED BENEFITS~~

~~BENEFITS PROVIDED ARE SUPPLEMENTAL AND ARE NOT INTENDED TO COVER ALL MEDICAL EXPENSES~~

~~OUTLINE OF COVERAGE~~

(1) Read ~~y~~Your [pPolicy] [cCertificate] cCarefully. —This outline of coverage provides a very brief description of briefly describes the your coverage’s important features of coverage. ItThis is not the insurance contract, and ~~Only~~ the actual [policy] [certificate] provisions will controls. The [policy] [certificate] itself sets forth in details yourthe rights and obligations of both you and those of your insurance company. It is, ~~therefore,~~ important that you read your [policy] [certificate] carefully!READ YOUR [POLICY] [CERTIFICATE] CAREFULLY!

**Commented [BB9]:** Controls what?

(2) [Hospital ~~eon~~confinement indemnity] [or ~~O~~other fixed indemnity] coverage is designed to provide, to persons insured, coverage in the form ofpay a fixed daily benefit during periods ofwhen you are in a hospitalhospitalization resulting frombecause of a covered accident or sickness. The benefit may be limited in ways described, subject to any limitations set forth in the [policy] [certificate]. Coverage is not provided for any benefits other than the fixed daily indemnity for hospital



~~confinement services and any additional benefit described below. The fixed daily benefit may be less than the hospital stay's cost.~~

- (3) [A brief specific description of the benefits in the following order:
  - (a) Daily benefit payable during hospital confinement; and
  - (b) Duration of benefit described in (a).]

~~Drafting Note: The above description of benefits shall be stated clearly and concisely.~~

- (4) [A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefit, described in Paragraph (3) above.]
- (5) [A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.]
- (6) [Any benefits provided in addition to the daily hospital benefit.]

~~(7) [A specific coverage example similar to those in the Summary of Benefits and Coverage.]~~

~~G. Individual Major Medical Expense Coverage (Outline of Coverage)~~

~~An outline of coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of Section 7F of this regulation. The items included in the outline of coverage must appear in the sequence prescribed:~~

~~[COMPANY NAME]~~

~~INDIVIDUAL MAJOR MEDICAL EXPENSE COVERAGE~~

~~OUTLINE OF COVERAGE~~

~~(1) Read Your Policy Carefully—This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you READ YOUR POLICY CAREFULLY!]~~

~~(2) Individual major medical expense coverage is designed to provide, to persons insured, comprehensive coverage for major hospital, medical, and surgical expenses incurred as a result of a covered accident or sickness. Coverage is provided for daily hospital room and board, miscellaneous hospital services, surgical services, anesthesia services, in-hospital medical services, and out of hospital care, subject to any deductibles, copayment provisions, or other limitations that may be set forth in the policy. Basic hospital or basic medical insurance coverage is not provided.~~

~~(3) [A brief specific description of the benefits, including dollar amounts, contained in this policy, in the following order:~~

- ~~(a) Daily hospital room and board;~~
- ~~(b) Miscellaneous hospital services;~~
- ~~(c) Surgical services;~~
- ~~(d) Anesthesia services;~~
- ~~(e) In-hospital medical services;~~
- ~~(f) Out of hospital care;~~

(g) — Maximum dollar amount for covered charges; and

(h) — Other benefits, if any]

**Drafting Note:** The above description of benefits shall be stated clearly and concisely, and shall include a description of any deductible or copayment provision applicable to the benefits described.

(4) — [A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (3) above.]

(5) — [A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.]

G. — Individual Basic Medical Expense Coverage

An outline of coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of Section 7G of this regulation. The items included in the outline of coverage must appear in the sequence prescribed:

[COMPANY NAME]

#### INDIVIDUAL BASIC MEDICAL EXPENSE COVERAGE

##### OUTLINE OF COVERAGE

(1) — **Read Your Policy Carefully** — This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY!**

(2) — Individual basic medical expense coverage is designed to provide, to persons insured, limited coverage for major hospital, medical, and surgical expenses incurred as a result of a covered accident or sickness. Coverage is provided for daily hospital room and board, miscellaneous hospital services, surgical services, anesthesia services, in-hospital medical services, and out-of-hospital care, subject to any deductibles, copayment provisions, or other limitations that may be set forth in the policy. Basic hospital or basic medical insurance coverage is not provided.

(3) — [A brief specific description of the benefits, including dollar amounts, contained in this policy, in the following order:

(a) — Daily hospital room and board;

(b) — Miscellaneous hospital services;

(c) — Surgical services;

(d) — Anesthesia services;

(e) — In-hospital medical services;

(f) — Out-of-hospital care;

(g) — Maximum dollar amount for covered charges; and

(h) — Other benefits, if any]

**Drafting Note:** The above description of benefits shall be stated clearly and concisely, and shall include a description of any deductible or copayment provision applicable to the benefits described.

(4) — [A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (3) above.]

**Drafting Note:** The above descriptions of benefits shall be stated clearly and concisely.

(5) ~~[A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.]~~

**D.** Disability Income Protection Coverage (Outline of Coverage)

An outline of coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of Section 7H8C of this regulation. The items included in the outline of coverage must appear in the sequence prescribed:

[COMPANY NAME]

Disability Income Protection Coverage ~~DISABILITY INCOME PROTECTION COVERAGE~~

OUTLINE OF COVERAGE

- (1) Read ~~y~~ Your ~~p~~ [Policy] [certificate] ~~c~~ Carefully. ~~—This outline of coverage provides a very brief description of the—~~ briefly describes your coverage's important features of your policy. ~~It~~ ~~(This is not the insurance contract, and~~ Only the actual [policy] [certificate] ~~provisions will controls].~~ The [policy] [certificate] itself ~~sets forth in details~~ your the rights and obligations of both you and those of your insurance company. It is, ~~therefore,~~ important that you read your [policy] [certificate] carefully ~~READ YOUR POLICY CAREFULLY!~~
- (2) Disability income protection coverage is designed to ~~provide, to persons insured, coverage pay a benefit for disabilities resulting from~~ due to a covered accident or sickness ~~illness,~~ subject to any ~~limitations set forth~~ The benefit may be limited in ways described in the [policy] [certificate]. ~~Coverage is not provided~~ The [policy] [certificate] does not pay benefits for basic hospital, basic medical-surgical, or major medical expenses and is not health insurance. The benefit may not fully replace your income.
- (3) [A brief specific description of the benefits contained in this policy.]

Commented [BB10]: Controls what?

**Drafting Note:** The above description of benefits shall be stated clearly and concisely.

- (4) [A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (3) above.]
- (5) [A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.]
- (6) ~~[A specific coverage example similar to those in the Summary of Benefits and Coverage.]~~

**Drafting Note:** The above descriptions shall be stated clearly and concisely.

**E.** Accident-Only Coverage (Outline of Coverage)

An outline of coverage in the form prescribed below shall be issued in connection with policies meeting the standards of Section 7H8D of this regulation. The items included in the outline of coverage must appear in the sequence prescribed:

[COMPANY NAME]

Accident-Only Coverage ~~ACCIDENT ONLY COVERAGE~~

The benefits in this [policy] [certificate] are limited. They are intended to supplement your other health insurance coverage. They are not intended to cover all medical expenses.  
THIS [POLICY][CERTIFICATE] PROVIDES LIMITED BENEFITS

BENEFITS PROVIDED ARE SUPPLEMENTAL AND NOT INTENDED TO COVER ALL MEDICAL EXPENSES

OUTLINE OF COVERAGE

(1) Read ~~y~~ Your [pPolicy] [cCertificate] ~~e~~Carefully. —This outline of coverage ~~provides a very-briefly describes your coverage's description of the important features of the coverage. This~~ It is not the insurance contract. ~~Qand only the actual [policy] [certificate] provisions will controls. The [policy] [certificate] itself sets forth in details your~~ the rights and obligations of both you and ~~and those of your insurance company. It is, therefore, important that you read your [policy] [certificate] carefully~~ READ YOUR [POLICY][CERTIFICATE] CAREFULLY!

Commented [BB11]:

Commented [BB12R11]: Controls what?

(2) Accident-only ~~coverage insurance is designed to provide, to persons insured, coverage for certain losses resulting from~~ only covers certain losses and then only if they are because of a covered accident. ~~The benefits may be limited in ways described ONLY, subject to any limitations contained in the [policy] [certificate]. Coverage is not provided~~ The [policy] [certificate] does not pay benefits for basic hospital, basic medical-surgical, or major medical expenses.

(3) [A brief specific description of the benefits.]

**Drafting Note:** The above description of benefits shall be stated clearly and concisely, and shall include a description of any deductible or copayment provision applicable to the benefits described. Proper disclosure of benefits that vary according to accidental cause shall be made in accordance with Section 78A(13) of this regulation.

(4) [A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (3) above.]

(5) [A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservations of right to change premiums.]

(6) [A specific coverage example similar to those in the Summary of Benefits and Coverage.]

**Drafting Note:** The above descriptions shall be stated clearly and concisely.

**KF.** Specified Disease or Specified Accident Coverage (Outline of Coverage)

An outline of coverage in the form prescribed below shall be issued in connection with policies or certificates meeting the standards of Sections 78E and KF of this regulation. The coverage shall be identified by the appropriate bracketed title. The items included in the outline of coverage must appear in the sequence prescribed:

[COMPANY NAME]

[Specified Disease][Specified Accident] Coverage]

The benefits in this [policy] [certificate] are limited. They are intended to supplement your other health insurance coverage. They are not intended to cover all medical expenses.  
[SPECIFIED-DISEASE][SPECIFIED-ACCIDENT] COVERAGE

THIS [POLICY] [CERTIFICATE] PROVIDES LIMITED BENEFITS

BENEFITS PROVIDED ARE SUPPLEMENTAL AND ARE NOT INTENDED TO COVER ALL MEDICAL EXPENSES

OUTLINE OF COVERAGE

- (1) This coverage is designed ~~only as a to~~ supplement to a comprehensive health insurance coverage. ~~You policy and should not be purchased buy this [policy] [certificate] unless you have this underlying comprehensive coverage. Persons You also should not buy this [policy] [coverage] if you are covered under by Medicaid should not purchase it. Read the Buyer's Guide to Specified Disease Insurance to review the possible how limited the on benefits may be in this type of coverage.~~
- (2) Read ~~y~~our [policy] [certificate] ~~and [oOutline of cCoverage] c~~Carefully. ~~—This outline of coverage provides a very brief description of the~~briefly describe your coverage's important features of coverage. ~~This It is not the insurance contract, and e~~Only the actual [policy] [certificate] ~~provisions will controls~~. The [policy] [certificate] itself ~~sets forth in details your~~the rights and obligations of both you and those of your insurance company. It is, ~~therefore,~~ important that you read your [policy] [certificate] ~~carefully~~READ YOUR [POLICY][CERTIFICATE] CAREFULLY!
- (3) [Specified disease] [Specified accident] coverage is designed to ~~provide, to persons insured, restricted coverage paying pay~~ benefits ONLY ~~whenonly for~~ certain losses ~~occur as~~expenses that are a result of [specified diseases] or [specified accidents]. ~~Coverage is not provided~~The [policy] [certificate] ~~does not pay benefits~~ for basic hospital, basic medical-surgical, or major medical expenses.
- (4) [A brief specific description of the benefits, including dollar amounts.]
- (5) [A specific coverage example similar to those in the Summary of Benefits and Coverage.]

Commented [BB13]: Is there such a guide?

Commented [BB14]: Is there an outline of coverage?

Commented [BB15]: Controls what?

**Drafting Note:** The above description of benefits shall be stated clearly and concisely, and shall include a description of any deductible or copayment provisions applicable to the benefits described. Proper disclosure of benefits that vary according to accidental cause shall be made in accordance with Section 78A(13) of this regulation.

L.G. Limited Benefit Health Coverage (Outline of Coverage)

An outline of coverage, in the form prescribed below, shall be issued in connection with policies or certificates which do not meet the minimum standards of Sections 78B, D and G C, D, E, F, G, I and K of this regulation. The items included in the outline of coverage must appear in the sequence prescribed:

[COMPANY NAME]

Limited Benefit Health Coverage

The benefits in this [policy] [certificate] are limited. They are intended to supplement your other health insurance coverage. They are not intended to cover all medical expenses. LIMITED-BENEFIT-HEALTH COVERAGE

BENEFITS PROVIDED ARE SUPPLEMENTAL AND ARE NOT INTENDED TO COVER ALL MEDICAL EXPENSES

OUTLINE OF COVERAGE

- (1) Read ~~y~~our [pPolicy] [cCertificate] ~~c~~Carefully. ~~—This outline of coverage provides a very brief description of the~~briefly describes your coverage's important features ~~of your policy. This It is not the insurance contract. O~~and only the actual [policy] [certificate] ~~provisions will controls~~. The [policy] [certificate] itself ~~sets forth in details your~~the rights and obligations of both you and those of your insurance company. It is, ~~therefore,~~ important that you read your [policy] [certificate] ~~carefully~~READ YOUR [POLICY][CERTIFICATE] CAREFULLY!

Commented [BB16]: Controls what?

(2) Limited benefit health coverage is designed to ~~provide, to persons insured, limited or supplement your other health insurance~~ coverage. You should not buy this [policy] [certificate] if you do not have other health insurance.

(3) [A brief specific description of the benefits, including dollar amounts.]

**Drafting Note:** The above description of benefits shall be stated clearly and concisely, and shall include a description of any deductible or copayment provisions applicable to the benefits described. Proper disclosure of benefits that vary according to accidental cause shall be made in accordance with Section 87A(13) of this regulation.

(4) [A description of any provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (3) above.]

(5) [A description of provisions respecting renewability or continuation of coverage, including age restrictions or any reservations of right to change premiums.]

(6) [A specific coverage example similar to those in the Summary of Benefits and Coverage.]

**Drafting Note:** The above descriptions shall be stated clearly and concisely.

#### H. Short-Term, Limited-Duration Health Insurance Coverage (Outline of Coverage)

An outline of coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of Section 8H of this regulation. The items included in the outline of coverage must appear in the sequence prescribed:

[COMPANY NAME]

##### Short-Term Limited Duration Coverage

The benefits in this [policy] [certificate] are limited. They are intended to supplement your other health insurance coverage. They are not intended to cover all medical expenses.

This [policy] [certificate] may not cover pre-existing conditions.

SHORT TERM LIMITED DURATION COVERAGE

THIS [POLICY] [CERTIFICATE] PROVIDES LIMITED BENEFITS

BENEFITS PROVIDED ARE ARE NOT INTENDED TO COVER ALL MEDICAL EXPENSES AND MAY EXCLUDE PRE-EXISTING CONDITIONS

##### OUTLINE OF COVERAGE

~~(1) Read yYour [policy] [certificate] [Outline of Coverage] Ccarefully. —This outline of coverage provides a very brief description of the~~briefly describes your coverage's important features of coverage. ThisIt is not the insurance contract. Oand only the actual [policy] [certificate] provisions will controls. The [policy] [certificate] itself sets forth in details your the rights and obligations of both you and those of your insurance company. It is , therefore, important that you read your [policy] [certificate] carefullyREAD YOUR [POLICY] [CERTIFICATE] CAREFULLY!

**Commented [BB17]:** Controls what?

~~(2) This—~~This is a short-term, limited-duration health insurance [policy] [certificate]. This is not comprehensive health insurance.

Short-term limited duration coverage is designed to be used for a shorttime. It may not cover certain services or medicines. It also may not cover pre-existing conditions. This [policy] [certificate] only covers health care expenses named in your [policy] [certificate]. It may not cover services for pre-

**Commented [BJC18]:** Is there a definition of short?

existing conditions. The benefits are not intended to cover all of your medical expenses. You will have to pay out-of-pocket for the health care expenses this [policy] [certificate] does not cover, unless you have other health insurance. Review your [policy] [certificate] carefully before you decide whether to submit an application.

- (3) [A brief specific description of the benefits in the following order:
  - (a) Benefits covered by the plan, including required cost sharing.
  - (b) Benefits that are not covered by the plan, that would be covered by an Affordable Care Act qualified health plan.
  - (c) Notice that cost sharing limitations do not apply to benefits not covered by the plan.
- (b) Duration of benefit described above.]
- (4) [A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefit, described in Paragraph (3) above.]
- (5) [A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.]
- (6) [A specific coverage example similar to those in the Summary of Benefits and Coverage.]

**Drafting Note:** The above descriptions, including those of benefits, shall be stated clearly and concisely, and shall include a description of any deductible or copayment provisions applicable to the benefits described. Proper disclosure of benefits that vary according to accidental cause shall be made in accordance with Section 8A(13) of this regulation.

#### MIH. Limited Scope Dental Plans Coverage (Outline of Coverage)

An outline of coverage in the form prescribed below shall be issued in connection with dental plan policies and certificates. The items included in the outline of coverage must appear in the sequence prescribed:

- (1) Read yYour [pPolicy] [cCertificate] cCarefully. —This outline of coverage provides a very brief description of the briefly describes your coverage’s important features of your policy. This It is not the insurance contract. and oOnly the actual [policy] [certificate] provisions will controls. The [policy] [certificate] itself sets forth in details your the rights and obligations of both you and those of your insurance company. It is, therefore, important that you read your [policy] [certificate] carefully READ YOUR [POLICY][CERTIFICATE] CAREFULLY!
- (2) [A brief specific description of the benefits.]
- (3) [A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (1) above.]
- (4) [A ~~descripton~~description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservations of right to change premiums.]

**Drafting Note:** The above descriptions shall be stated clearly and concisely.

#### NJI. Limited Scope Vision Plans Coverage (Outline of Coverage)

An outline of coverage in the form prescribed below shall be issued in connection with vision plan policies and certificates. The items included in the outline of coverage must appear in the sequence prescribed:

- (1) Read yYour [pPolicy] [cCertificate] cCarefully. —This outline of coverage provides a very brief description of the briefly describes your coverage’s important features of your policy. This It is not

Commented [BB19]: Controls what?

the insurance contract, ~~and only the actual [policy] [certificate] provisions will controls.~~ The [policy] [certificate] itself sets forth in details your the rights and obligations of both you and those of your insurance company. It is, therefore, important that you read your [policy] [certificate] carefully. **READ YOUR [POLICY][CERTIFICATE] CAREFULLY!**

Commented [BB20]: Controls what?

- (2) [A brief specific description of the benefits.]
- (3) [A description of any policy provisions that exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in Paragraph (1) above.]
- (4) [A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservations of right to change premiums.]

**Drafting Note:** The above descriptions shall be stated clearly and concisely.

**Section 910. Requirements for Replacement of Individual ~~Accident and Sickness Insurance~~ Supplementary and Short-Term Health Insurance Coverage**

**Drafting Note:** Group supplemental health insurance is not addressed here because it is addressed in the Group Coverage Discontinuance and Replacement Model Regulation, which is applicable. States may also have other statutes or regulations that apply.

- A. An application form shall include a question designed to elicit information as to whether the insurance to be issued is intended to replace any other ~~accident and sickness~~ supplementary or short-term health insurance subject to this regulation, as provided in Section 3A of this regulation, presently in force. A supplementary application or other form to be signed by the applicant containing the question may be used.
- B. Upon determining that a sale will involve replacement, an insurer, ~~other than a direct response insurer~~, or its agent shall furnish the applicant, prior to issuance or delivery of the policy, the notice described in Subsection C below. The insurer shall retain a copy of the notice. A direct response insurer shall deliver to the applicant upon issuance of the policy, the notice described in Subsection D below. In no event, however, will the notices be required in the solicitation of the following types of policies: accident-only and single-premium nonrenewable policies.
- C. The notice required by Subsection B above for an insurer, other than a direct response insurer, shall provide, in substantially the following form:

Notice to Applicant about Replacement of Supplemental or Short-Term Health Insurance **NOTICE TO APPLICANT REGARDING REPLACEMENT**

~~OF ACCIDENT AND SICKNESS~~ SUPPLEMENTARY OR SHORT-TERM HEALTH INSURANCE

According to [your application] [information you ~~have furnished~~ provided], you intend to lapse or otherwise ~~terminate existing~~ end the ~~accident and sickness~~ supplementary or short-term health insurance you have now and replace it with a policy ~~to be issued by~~ [insert company name] Insurance Company will issue. For your own ~~information and protection~~, you should ~~be aware of and seriously consider certain factors that~~ know how replacing your policy with a new one may affect the insurance protection available to you under the new policy your coverage.

- (1) A new policy may not pay claims that the policy you have now would pay. A new policy may not cover health conditions which you may presently have now; (preexisting conditions) or may not be immediately or fully covered under the new policy cover them right away. This could result in denial or delay of a claim for benefits present under the new policy, whereas a similar claim might have been payable under your present policy.

A new policy might cover some but not all of the costs related to treating pre-existing conditions.

**Drafting Note:** This subsection may be modified if preexisting conditions are covered under the new policy.



- (2) ~~You may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present company representative about replacing your policy. This is not only your right, but it is also~~ It is in your best interests to ~~make-be~~ make-be sure you understand all the relevant factors involved in ~~replacing your present~~ replacing your policy could affect your future coverage.
- (3) ~~If, after due consideration, you still wish to terminate your present~~ you decide to buy a new policy, and replace it with new coverage, be certain sure to truthfully and completely answer all questions on the application ~~concern about~~ concern about your medical/health history. ~~Failure to include all material medical information on an application may provide a basis for~~ If you do not, the company to ~~could~~ could deny any future claims and ~~to~~ to refund your premium as though your policy had never been in force. ~~After the~~ Check that the information on your application ~~has been~~ is completed and ~~correct~~ correct before you sign it; reread it carefully to be certain that all information has been properly recorded.

The above "Notice to Applicant" was delivered to me on:

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Applicant's Signature)

D. The notice required by Subsection B of this section for a direct response insurer shall be as follows:

Notice to Applicant about Replacement of Supplemental or Short-Term Health Insurance  
NOTICE TO APPLICANT REGARDING REPLACEMENT

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OF ACCIDENT AND SICKNESS INSURANCE SUPPLEMENTARY OR SHORT-TERM HEALTH INSURANCE

According to [your application] [information you ~~have furnished~~ provided], you intend to lapse or otherwise ~~terminate existing~~ the ~~accident and sickness~~ supplementary or short-term health insurance you ~~have now~~ and replace it with the attached policy ~~delivered herewith~~ issued by [insert company name] Insurance Company. Your new policy ~~provides~~ gives you thirty days ~~within which you may~~ to decide ~~without at no cost~~ whether you desire to if you ~~want~~ to keep the policy. For your own ~~information and protection~~, you should be ~~aware of and seriously consider certain factors that~~ know how replacing your policy with a new one may affect the ~~insurance protection available to you under the new policy~~ your coverage.

- (1) ~~A new policy may not pay claims that the policy you have now would pay. A new policy may not cover h~~ Health conditions that you may presently have now; (preexisting conditions) may not be immediately or fully covered under the new policy or may not cover them right away. This could result in denial or delay of a claim for benefits under the new policy, whereas a similar claim might have been payable under your present policy. A new policy might cover some but not all of the costs related to pre-existing conditions.
- (2) ~~You may wish to secure the advice of your present insurer or its~~ company ~~representative about replacing~~ representative about replacing regarding the proposed replacement of your present policy. ~~This is not only your right, but it is also~~ It is in your best interests to ~~make-be~~ make-be sure you understand all the relevant factors involved in ~~replacing-how~~ replacing your policy could affect your ~~present~~ future coverage.
- (3) [To be included only if the application is attached to the policy]. ~~If, after due consideration, you still wish to terminate your present~~ decide to buy a new policy, and replace it with new coverage, read the copy of the attached application attached to your new policy and be sure that all questions are answered fully and correctly. Omissions or misstatements in the application could cause If they are not, the insurer could refuse to pay an otherwise valid claim ~~to be denied~~. Carefully check the application and write to [insert company name and address] within ~~ten days~~ if any information is not correct and complete, or if any past medical history has been left ~~out of~~ off the application.

Commented [BB21]: Of what?

[COMPANY NAME]

