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STATEMENT OF THE VIRGINIA BUREAU OF INSURANCE REGARDING EXTENSION OF INDIVIDUAL AND SMALL GROUP HEALTH INSURANCE PLANS

RICHMOND – Following Thursday’s announcement by President Obama, the State Corporation Commission’s Bureau of Insurance undertook a legal and regulatory analysis of the President’s proposal.

The President proposed suspending enforcement of certain provisions of the Affordable Care Act (ACA) and urged state insurance regulators to allow carriers to offer renewal of certain non-ACA compliant health insurance plans that could remain in effect up to October 1, 2015.

Upon an analysis of Virginia state insurance laws which incorporated the provisions of the ACA effective January 1, 2014, it is unclear whether the Bureau has the authority under Virginia law to implement the President’s recommendation. What is clear is that Virginia insurance law does permit the Bureau of Insurance to allow carriers to offer early renewal of existing insurance plans in the individual and small business group markets so that policyholders may continue existing coverage into 2014.

Some of Virginia’s carriers have already offered policyholders in those markets the option to extend their 2013 coverage into 2014. The Bureau of Insurance encourages those carriers to reoffer this option with coverage extending through the end of 2014. The Bureau of Insurance also encourages any carriers who have not offered an option to extend coverage through the end of 2014 to make such extensions available.

Policyholders should evaluate any renewal option offered in addition to the various options available for health insurance coverage in 2014.

The Bureau of Insurance will expedite approval of associated policy form and rate revisions necessary to allow the renewals.

