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PRESS RELEASE

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Final Extension of Transition Policies through December 31, 2017

Phoenix - The Arizona Department of Insurance (ADOI) announced that insurers in the individual and small group¹ major medical health insurance markets can choose to renew transitional policies through December 31, 2017. Transitional plans are non-ACA compliant policies that have been continuously in effect since by or before December 31, 2013.

At least six health insurers have individual or small group transition policies still in effect in Arizona. By extending the transition period, consistent with the [February 29, 2016 Bulletin](#) issued by the Center for Consumer Information and Insurance Oversight (CCIO) (<https://www.cms.gov/CCIO/Resources/Regulations-and-Guidance/Downloads/final-transition-bulletin-2-29-16.pdf>), insurers will have the option to continue the pre-2014 individual and small group policies covering more than 100,000 Arizonans through the end of 2017. Insurers that offer this short term extension of coverage are required to send each policyholder a Renewal Notice that explains the offer to continue the transition policy to the end of 2017 and includes information regarding any related price increase.

Each policyholder that chooses to renew his or her transition plan will receive a final notice, by or before October 1, 2017, explaining that the transitional plan is being discontinued effective December 31, 2017. However, extending transition plans to the end of 2017 allows affected policyholders to select a new plan during the annual open enrollment period along with other Arizonans.

The transition extension does not affect grandfathered policies issued prior to March 23, 2010. These policies can remain in effect as long as they maintain grandfathered status.

This decision extends the Department's prior determination on transitional plans as outlined on [March 27, 2015](#) (<https://insurance.az.gov/determination-2016-transition-affordable-care-act-compliant-policies>).

¹ Small Group refers to a policy issued to an employer who employs at least two but not more than fifty eligible employees (ARS § 20-2301(A)(21)).