

PRESS RELEASE

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Director Announces ACA Transitional Policy Decision

Phoenix – The Arizona Department of Insurance today announced that, beginning January 1, 2014, insurance carriers in the state will no longer be permitted to issue plans that do not comply with the Affordable Care Act (ACA). “In Arizona, we’ve been working with our insurance carriers on the best way to mitigate the impact on consumers by giving them the option to early renew their existing policies,” Insurance Director Germaine Marks said.

On November 14, 2013, the Center for Consumer Information and Insurance Oversight (CCIIO) announced a transitional policy that will permit health insurance issuers to continue to renew plans for individuals and small businesses for plans in place as of October 1, 2013. These plans would otherwise be modified or canceled because they do not meet minimum coverage requirements and financial protections under the ACA. CCIIO left the ultimate decision regarding whether or not to implement the transitional policy to state insurance regulators and insurance carriers.

Marks said changing the rules at this point in time creates uncertainty for consumers and insurance carriers. “We continue to be focused on how the reforms may impact premiums, the solvency of insurers, and the overall health and stability of Arizona’s insurance marketplace. To that end, we are confident that this determination helps Arizona insurance consumers consistent with Arizona law.”

Since receiving CCIIO’s letter, the ADOI has worked closely with Arizona’s insurance carriers to allow as many affected policyholders as possible to have the option to renew their existing coverage on or before December 31, 2013. Arizona law does not prohibit the offer of early renewals and this option minimizes the ACA’s impact on policyholders by extending the availability of existing non-ACA compliant policies who would otherwise receive cancellation notices effective December 31, 2013. Some of Arizona’s carriers have already offered policyholders the option to extend their 2013 coverage into 2014. The ADOI encourages those carriers to continue to offer this option and also encourages the carriers who have not offered early renewals to offer the extension of coverage. Carriers will assist policyholders who choose not to exercise the early renewal option with finding alternative affordable coverage.

About the Arizona Department of Insurance

The Arizona Department of Insurance, an agency of the State of Arizona, is responsible for the education and protection of insurance consumers and for oversight of the insurance industry in the state.