

# STATE OF NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE

SUPERINTENDENT OF INSURANCE  
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Insurance Bulletin 2014-003  
January 14, 2014

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**To:** All health care insurers offering limited benefit insurance coverage in the group and individual markets (excepted benefit plans).

**RE:** Excepted Benefit Plans Disclosure

**THE FOLLOWING BULLETIN** is issued pursuant to Insurance Bulletin Rules, 13 NMAC 1.2.1 to 1.2.10.

The purpose of this Bulletin is to notify all involved parties of the mandatory disclosure required.

It is possible that some individuals are not aware that limited benefit plans (excepted benefit plans) are exempt from the ACA's "essential health benefits" requirement and therefore, do not provide an individual with "minimum essential coverage", as required by the ACA. In addition, those individuals may not be aware that they will be subject to penalties under the ACA if they do not obtain more comprehensive medical insurance.

To reduce confusion during and after the transition period, and to protect consumers from inadvertently incurring penalties under the ACA; OSI requests that issuers of group and individual hospital indemnity and other fixed indemnity plans notify every individual insured under such plans that the coverage does not satisfy the "minimum essential coverage" requirement of the ACA with the following disclosure:

**“This type of plan is NOT considered “minimum essential coverage” under the Affordable Care Act and therefore does NOT satisfy the individual mandate that you have health insurance coverage. If you do not have other health insurance coverage, you may be subject to a tax penalty. Please consult your tax advisor.”**

This notice should be provided at the issuer's earliest opportunity to current insureds by endorsement, and should also be provided with all such policies issued or renewed on or after January 1, 2014 in at least 10 point font on the cover page of the policy/certificate.

This bulletin is also available on the Office of Superintendent of Insurance's website, listed below.


Office of Superintendent of Insurance  
Life and Health Rate & Form Filing Bureau  
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Website: <http://www.osi.state.nm.us>

If you have additional questions regarding this Bulletin, please contact the Bureau at 1-505-827-4601.

**DONE AND ORDERED** this 14<sup>th</sup> day of January, 2014.

  
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JOHN G. FRANCHINI  
Superintendent of Insurance