



BUREAU OF INSURANCE

September 20, 2000

Administrative Letter 2000-11

**TO: All Insurers Licensed to Market Accident and Sickness Insurance in Virginia, all Health Maintenance Organizations, and all Health Services Plans Licensed in Virginia**

**RE: Individual Health Insurance Coverage Provided in Virginia**

It has come to the attention of the Bureau of Insurance that many carriers offering individual health insurance coverage in Virginia may not be in compliance with §§ 38.2-3430.3 or 38.2-3432.3 of the Code of Virginia. Changes were made to each of these laws during the 1999 Virginia General Assembly, and became effective on July 1, 1999. **Sections 38.2-3430.3 and 38.2-3432.3 apply to all carriers offering individual health insurance coverage in Virginia, including those offering such coverage through group insurance policies issued in another state.**

Section 38.2-3430.3 C provides:

- C. Health insurance issuers shall include on all applications for health insurance coverage questions which will enable the health insurance issuer to determine if an applicant is applying for coverage as an eligible individual as defined in § 38.2-3430.2.

The Bureau's staff has noted that many applications do not include the types of questions described above, and are therefore not in compliance with Virginia law.

Section 38.2-3432.3 provides standards for imposing preexisting conditions exclusions. These standards, with respect to **individual** health insurance

coverage, include: a 12-month "look back" period; a 12-month limitation on the preexisting exclusion period; and reduction of the preexisting condition exclusion period by the aggregate of the periods of creditable coverage applicable to the participant or beneficiary on the enrollment date.

The purpose of this administrative letter is to remind carriers providing individual health insurance coverage in Virginia of their responsibilities as set forth in this letter, and to assist carriers in complying with Virginia law. In order to document compliance with the requirements imposed on individual health insurance issuers, **ALL** carriers to whom this letter is addressed are directed to complete the questionnaire attached to this letter and return it to the Bureau of Insurance by no later than October 15, 2000.

Completed questionnaires, as well as questions regarding this matter may be directed, in writing (or via telefax), to:

Robert L. Wright  
Special Projects Coordinator  
Life and Health Division  
Bureau of Insurance  
P.O. Box 1157  
Richmond, VA 23218

FAX: 804-371-9944

Very truly yours,

Alfred W. Gross  
Commissioner of Insurance

AWG:RLW/me

**QUESTIONNAIRE  
INDIVIDUAL HEALTH INSURANCE COVERAGE**

**NAME OF COMPANY:** \_\_\_\_\_

**NAIC NUMBER:** \_\_\_\_\_

**NAME OF PERSON COMPLETING  
QUESTIONNAIRE:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**DIRECT TELEPHONE NUMBER:** \_\_\_\_\_

1. Does this company provide "individual health insurance coverage" as defined in § 38.2-3431 B of the Code of Virginia? \_\_\_\_\_ yes \_\_\_\_\_ no  
(If no, please sign and return the questionnaire.)

2. What kind of product is used to provide "individual health insurance coverage" in Virginia?  
Individual policies approved in Virginia \_\_\_\_\_ yes \_\_\_\_\_ no  
(If yes, please respond to Question 3.)

Group policies approved in Virginia \_\_\_\_\_ yes \_\_\_\_\_ no  
(If yes, please respond to Questions 4 through 7)

Group policies issued in another state \_\_\_\_\_ yes \_\_\_\_\_ no  
(If yes, please respond to Questions 4 through 8)

3. What are the form numbers of the individual policies used?  
\_\_\_\_\_  
\_\_\_\_\_

4. What are the form numbers of the group policies used?  
\_\_\_\_\_  
\_\_\_\_\_

5. Is the group policy issued to a trust? \_\_\_\_\_ yes \_\_\_\_\_ no

*State Corporation Commission  
Bureau of Insurance  
P.O. Box 1157  
Richmond, VA 23218*

If yes, what is the name of the trust? \_\_\_\_\_

\_\_\_\_\_

6. Is the group policy issued to an association? \_\_\_\_\_ yes \_\_\_\_\_ no

If yes, what is the name of the association? \_\_\_\_\_

\_\_\_\_\_

7. Is the association a "bona fide association" as that term is defined in § 38.2-3431 B of the Code of Virginia? \_\_\_\_\_ yes \_\_\_\_\_ no.

8. In which states are the group policies issued? \_\_\_\_\_

\_\_\_\_\_

*Please respond by October 15, 2000 to:*

***Robert L. Wright  
Special Projects Coordinator  
Life and Health Division  
Bureau of Insurance  
P.O. Box 1157  
Richmond, VA 23218***

**FAX 804 371 9944**

***State Corporation Commission  
Bureau of Insurance  
P.O. Box 1157  
Richmond, VA 23218***