

COMMONWEALTH OF VIRGINIA

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BUREAU OF INSURANCE



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May 25, 2005

Administrative Letter 2005 - 8

TO: All Companies licensed to Write Accident and Sickness Insurance in Virginia, all Health Maintenance Organizations and all Health Services Plans Licensed in Virginia, and Interested Parties

RE: Individual Health Insurance Coverage Provided in Virginia

In order to ensure the accuracy of information made available on-line and through various consumer brochures and guides, the Bureau of Insurance (the Bureau), seeks your cooperation in completing the attached questionnaire concerning *individual health insurance coverage*. Completed questionnaires will be used to update the Bureau's listing of carriers offering coverage in the individual health insurance market in Virginia. The information provided will also be used to assist eligible individuals in exercising their rights to coverage under HIPAA and the provisions of the Code of Virginia implementing HIPAA.

Taken collectively, the definitions of *individual health insurance coverage*, *individual market*, *excepted benefits*, *group health plan*, and *bona fide association* found in § 38.2-3431 B of the Code of Virginia provide guidance concerning the qualification of a particular product as individual health insurance coverage and facilitate the completion of the questionnaire. These definitions are attached for your reference. The entire statute may be found at <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+38.2-3431>.

We ask that you complete and return the attached questionnaire **no later than July 1, 2005**. Completed questionnaires, as well as any questions regarding this request, may be submitted via e-mail or by regular mail, to the addresses noted at the end of the questionnaire. Electronic copies of the questionnaires may be found as attachments to this letter at:

<http://www.scc.virginia.gov/division/boi/webpages/boi2005administrativeletters.htm>

We appreciate your consideration of this matter and your prompt response.

Sincerely,

Alfred W. Gross
Commissioner of Insurance

**QUESTIONNAIRE
INDIVIDUAL HEALTH INSURANCE COVERAGE**

NAME OF COMPANY: _____

COMPANY NAIC NUMBER: _____

NAME OF PERSON COMPLETING QUESTIONNAIRE:

TITLE: _____

DIRECT TELEPHONE NUMBER: _____

FAX: _____

E-MAIL: _____

Consumer Telephone Number: _____

IMPORTANT: This is the number that will be published in the listing of carriers offering individual health insurance coverage for consumers to call for information. Please verify the accuracy of the number!

WEBSITE ADDRESS: _____

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, there is no need to respond to questions 2 through 7. Please simply return this 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 issued and approved in Virginia ____ yes ____ no
(If yes, please respond to Questions 4 through 7. Designate Virginia as state of issue.)

Group policies issued in another state ____ yes ____ no
(If yes, please respond to Questions 4 through 7. Designate state of issue.)

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

If yes, what is the name of the trust?

In which state is the group policy issued?

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

If yes, what is the name of the association?

In which state is the group policy issued?

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_____.

*Please respond by **July 1, 2005** 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*

Or e-mail completed questionnaire to:
INDACCIDENT&SICKNESSSurvey@scc.virginia.gov

Virginia Code § 38.2-3431 provides, in part, the following definitions. Taken collectively, these will provide guidance concerning the qualification of a particular product as individual health insurance coverage, and will facilitate the completion of the questionnaire. Defined terms have been bolded for your reference:

Individual health insurance coverage" means health insurance coverage offered to individuals in the **individual market**, but does not include coverage defined as **excepted benefits**. Individual health insurance coverage does not include short-term limited duration coverage.

Individual market" means the market for health insurance coverage offered to individuals other than in connection with a **group health plan**.

Excepted benefits" means benefits under one or more (or any combination thereof) of the following:

1. Benefits not subject to requirements of this article:
 - a. Coverage only for accident, or disability income insurance, or any combination thereof;
 - b. Coverage issued as a supplement to liability insurance;
 - c. Liability insurance, including general liability insurance and automobile liability insurance;
 - d. Workers' compensation or similar insurance;
 - e. Medical expense and loss of income benefits;
 - f. Credit-only insurance;
 - g. Coverage for on-site medical clinics; and
 - h. Other similar insurance coverage, specified in regulations, under which benefits for medical care are secondary or incidental to other insurance benefits.
2. Benefits not subject to requirements of this article if offered separately:
 - a. Limited scope dental or vision benefits;
 - b. Benefits for long-term care, nursing home care, home health care, community-based care, or any combination thereof; and
 - c. Such other similar, limited benefits as are specified in regulations.
3. Benefits not subject to requirements of this article if offered as independent, noncoordinated benefits:
 - a. Coverage only for a specified disease or illness; and
 - b. Hospital indemnity or other fixed indemnity insurance.

4. Benefits not subject to requirements of this article if offered as separate insurance policy:
 - a. Medicare supplemental health insurance (as defined under section 1882 (g) (1) of the Social Security Act (42 U.S.C. § 1395ss (g) (1));
 - b. Coverage supplemental to the coverage provided under Chapter 55 of Title 10, United States Code (10 U.S.C. § 1071 et seq.); and
 - c. Similar supplemental coverage provided to coverage under a group health plan.

"Group health plan" means an employee welfare benefit plan (as defined in section 3 (1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1002 (1)), to the extent that the plan provides medical care and including items and services paid for as medical care to employees or their dependents (as defined under the terms of the plan) directly or through insurance, reimbursement, or otherwise.

Bona fide association" means, with respect to health insurance coverage offered in this Commonwealth, an association which:

1. Has been actively in existence for at least five years;
2. Has been formed and maintained in good faith for purposes other than obtaining insurance;
3. Does not condition membership in the association on any health status-related factor relating to an individual (including an employee of an employer or a dependent of an employee);
4. Makes health insurance coverage offered through the association available to all members regardless of any health status-related factor relating to such members (or individuals eligible for coverage through a member);
5. Does not make health insurance coverage offered through the association available other than in connection with a member of the association; and
6. Meets such additional requirements as may be imposed under the laws of this Commonwealth.