

A CONSUMER GUIDE TO SHORT-TERM LIMITED-DURATION HEALTH INSURANCE PLANS

Short-term limited-duration (**STLD**) health insurance plans have been sold in Arizona for many years. Senate Bill 1109 passed the Arizona Legislature and becomes effective in the summer of 2019. The law allows insurer to sell STLD plans with longer coverage periods -- an initial period of up to 364 days, and thereafter, renewals or extensions of coverage so that the total duration is up to 36 months.

These plans can help consumers who:

- Don't otherwise have health insurance;
- Experiences gaps in coverage and find they need temporary coverage;
- May be coming off their parent's policy;
- Are between jobs;
- Missed the annual open enrollment period for purchasing major medical insurance from the federal Health Insurance Marketplace.

STLD plans can also be an affordable option for healthy consumers who do not qualify for premium subsidies and cost-sharing benefits through the Health Insurance Marketplace.

STLD policies generally pay a fixed dollar amount *per day* or *per service*, rather than paying all or a percentage of the actual cost of care. Some plans have contracted providers, which may help reduce the amount of the medical costs the policyholder is required to pay for medical services.

Shopping Tips

STLD policies can vary widely between insurers, so it is important to comparison shop to make sure that you purchase a policy that is right for you.

Many insurance agents only sell plans for ONE insurer, so you may need to contact multiple insurers or agents to find the policy that best meets your needs, or work with an independent agent who can help shop for the right policy for you.

STLD plans are sometimes sold as a package with other limited-benefit policies, such as specified-disease policies or accident and sickness insurance.

STLD plans are not required to cover any minimum kinds of care or any minimum amount of benefits. Like with any insurance purchase, it's important to read the policy carefully to see what's included and what's excluded, to ask the agent or insurance company representative questions about the cost and benefits for each policy, and to make sure that anything that you are told is reflected within the insurance policy.

Questions to Ask

If you are thinking about purchasing STLD health insurance coverage, it is important to ask questions and to confirm that the language in the policy addresses those issues.

- Will this policy cover conditions I already have at the time I purchase the policy? If I renew the policy or buy new policies, will the plan renewal/extension cover conditions I develop during the initial policy term or will the conditions be considered pre-existing conditions?
- Will the policy cover medical care that is important to you, such as prescription drugs, doctor visits, emergency room visits, hospitalization, laboratory services, imaging, maternity and newborn care or mental health disorders?
- Is there a waiting period before the plan will cover health care services?
- Are there limitations on the number of covered visits or the maximum amount payable for a specific type of service?
- Is there a limit (out-of-pocket maximum) on what I may be required to pay during the policy period for my deductible, coinsurance and co-payment?
- Does the policy include an annual or lifetime limit on the amount the insurer will pay?
- Do I have to join an association to purchase the STLD plan? If yes, what is the monthly cost for the association?

Other Things You Should Know

10-day Right to Return. When you receive your policy, you should carefully review the terms and conditions to determine if the policy meets your health care needs. If the policy is not renewable and you decide that you do not want the policy, you have a 10-day right to return the policy for a full refund.

Health Care Appeals. If your insurer denies your request for a health care service or denies a claim for services that you have already received, you may have the right to appeal the denial. Along with the policy, the insurer must also provide you with a Health Care Appeals Packet that explains your appeal rights.

Inquiries and Complaints. If you have questions or concerns about short-term health insurance, you may contact the Arizona Department of Insurance and Financial Institutions, Consumer Services Section by e-mail at insurance.consumers@difi.az.gov, or by phone at 602-364-2499 or 800-325-2548 (toll free, in-state). If you believe that an insurance company violated or insurance professional violated Arizona law, please visit our [website](#) to help you determine whether you should file a complaint or take a different approach toward resolving your problem.

Required Notice for Consumer Protection

All STLD policies must display the following notice on the policy and in any application materials in 14-point type:

NOTICE

THIS COVERAGE IS NOT REQUIRED TO COMPLY WITH CERTAIN FEDERAL MARKET REQUIREMENTS FOR HEALTH INSURANCE, PRINCIPALLY THOSE CONTAINED IN THE AFFORDABLE CARE ACT. BE SURE TO CHECK YOUR POLICY CAREFULLY TO MAKE SURE YOU ARE AWARE OF ANY EXCLUSIONS OR LIMITATIONS REGARDING COVERAGE OF PREEXISTING CONDITIONS OR HEALTH BENEFITS (SUCH AS HOSPITALIZATION, EMERGENCY SERVICES, MATERNITY CARE, PREVENTIVE CARE, PRESCRIPTION DRUGS AND MENTAL 3 HEALTH AND SUBSTANCE USE DISORDER SERVICES). YOUR POLICY MIGHT ALSO HAVE LIFETIME OR ANNUAL DOLLAR LIMITS ON HEALTH BENEFITS, OR BOTH. IF THIS COVERAGE EXPIRES OR YOU LOSE ELIGIBILITY FOR THIS COVERAGE, YOU MIGHT HAVE TO WAIT UNTIL AN OPEN ENROLLMENT PERIOD TO GET OTHER HEALTH INSURANCE COVERAGE.

List of Short-term Limited-duration (STLD) Insurance Companies

The Arizona Department of Insurance and Financial Institutions provides this list of insurers offering short-term, limited-duration (STLD) insurance to encourage Arizona consumers to comparison shop before purchasing an STLD policy. Please note that this list does not represent an endorsement of any individual company by the Arizona Department of Insurance and Financial Institutions. This list may not include all companies currently offering STLD insurance in Arizona.

Golden Rule Insurance Company	317-290-8100
Everest Reinsurance Company	908-604-3253
Freedom Life Insurance Company of America	800-387-9027
Independence American Insurance Company	212-355-4141
LifeShield National Insurance Company	800-314-5594
Madison National Life Insurance Company	800-356-9601
National Health Insurance Company	888-781-0580
Standard Security Life Insurance of New York	212-355-4141