

# Arkansas Insurance Department

Mike Beebe  
Governor



Jay Bradford  
Commissioner

**BULLETIN NO.: 18-2013**

**TO: ALL LICENSED INSURERS, HEALTH MAINTENANCE ORGANIZATIONS, FRATERNAL BENEFIT SOCIETIES, HOSPITAL MEDICAL SERVICE CORPORATIONS, NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, PRODUCER AND COMPANY TRADE ASSOCIATIONS AND OTHER INTERESTED PARTIES.**

**FROM: ARKANSAS INSURANCE DEPARTMENT**

**SUBJECT: TRANSITION GUIDANCE FOR CONVERSION POLICIES TO CONFORM TO THE AFFORDABLE CARE ACT.**

**DATE: August 21, 2013**

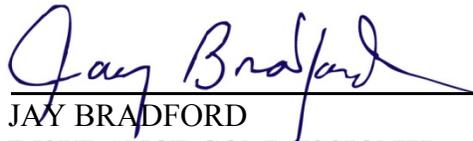
This Bulletin provides guidance to health insurers, HMOs and hospital medical service corporations (“health carriers”) related to transitioning of non-grandfathered health insurance policies, issued as conversion policies under Ark. Code Ann. 23-85-115, to conform to the requirements of the Patient Protection and Affordable Care Act, Public Law No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law No. 111-152 (“ACA”).

The Arkansas Insurance Department (“Department”) takes the position that the current market based mandate reforms and mandates applicable to the individual health insurance market under the Affordable Care Act, supersede and pre-empt the authority of an insurer to issue an individual conversion policy with limited or minimum benefits under Ark. Code Ann. 23-85-115 for non-grandfathered plans, to the extent the limitation is not permitted under the ACA. Non-grandfathered conversion policies are subject to the same market reform requirements currently imposed under the ACA for non-grandfathered individual health insurance policies as well as future federal mandates on and after January 1, 2014, related to essential health benefits and other requirements in the individual market.

For non-grandfathered conversion policies, health carriers are advised to follow the same transition, notice and cancellation requirement options the Department set out in Bulletin No 7-2013 for transitioning individual policies and contracts to the requirements of the Affordable Care Act.

Health carriers shall provide notice to individuals leaving a group that the individual is eligible to purchase an individual policy or contract either on or off the marketplace that will cover all pre-existing conditions, and the policy or contract will be available on a guaranteed issue basis.

Individuals whose group coverage has terminated can enroll in an individual plan within sixty (60) days of termination under the special enrollment provisions of the Affordable Care Act.



JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

August 21, 2013

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