



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Insurance Department

JONATHAN T. PIKE
Insurance Commissioner

BULLETIN 2024-8

To: Insurers Offering Health Insurance Coverage
From: Jonathan T. Pike, Insurance Commissioner
Date: July 15, 2024
Subject: **Short-Term Limited Duration Insurance and Fixed Indemnity Excepted Benefits Coverage**

The Utah Insurance Department issues this Bulletin to provide guidance concerning the amended federal rules issued on March 28, 2024, revising the requirements for short-term limited duration insurance (STLDI) and fixed indemnity excepted benefits coverage.

Short-Term Limited Duration Insurance

The amended federal definition of STLDI limits the length of the initial contract term to no more than three months, and the maximum coverage period to no more than four months, taking into account any renewals or extensions, and includes a renewal or extension of STLDI sold by the same insurer or an insurer of the same controlled group to the same policyholder within 12 months. This is intended to prevent an insurer from “stacking” sequential STLDI policies that collectively evade duration limits and may obscure the distinction between STLDI and comprehensive healthcare coverage.

The amended rules also include a mandatory federal notice intended to help a consumer better distinguish between comprehensive healthcare coverage and STLDI and obtain more information on healthcare insurance options. Insurers must prominently display the notice on the first page of the policy and certificate, including any renewal or extension, and must be included in all marketing, application, and enrollment materials.

Fixed Indemnity Excepted Benefits Coverage

The amended rules revise the mandatory federal notice for fixed indemnity excepted benefits coverage in the individual market and establish a new notice requirement in the group market. The notice is designed to show the differences between fixed indemnity excepted benefits coverage and comprehensive healthcare coverage. Insurers must prominently display the notice in all marketing, application, and enrollment materials in both the individual and group markets.

Effective Dates

A STLDI policy or certificate issued on or after September 1, 2024, shall comply with the notice requirement and maximum term and duration amendments in the amended rules.

A STLDI policy or certificate issued before September 1, 2024, is not required to comply with the amended rules.

The group and individual market fixed indemnity excepted benefits coverage notice requirements apply to new and existing coverage for plan years beginning on or after January 1, 2025.

All notices must comply with Utah Admin. Code [R590-286 Minimum Standards for Short-Term Limited Duration Health Insurance](#), [R590-126 Accident and Health Insurance Standards](#), and the amended federal notice requirements. Notices with associated changes must be filed with the commissioner for compliance with § [31A-21-201\(1\)](#).

Additional resources are available at:

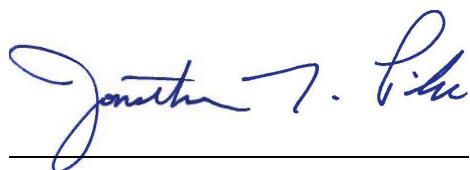
<https://www.federalregister.gov/documents/2024/04/03/2024-06551/short-term-limited-duration-insurance-and-independent-noncoordinated-excepted-benefits-coverage>

and

<https://www.cms.gov/newsroom/fact-sheets/short-term-limited-duration-insurance-and-independent-noncoordinated-excepted-benefits-coverage-cms>

An insurer with questions related to this Bulletin is advised to contact Heidi Clausen hclausen@utah.gov.

DATED this 15th day of July 2024.



Jonathan T. Pike
Insurance Commissioner