



Revised Bulletin No. B-4.107

Policy Directives for Continuation of Individual Health Insurance Coverage during the COVID-19 Public Health Emergency

I. Background and Purpose

In light of the Governor's Executive Order D 2020 003 (Executive Order) declaring a disaster emergency due to COVID-19, and the extension of the disaster emergency in subsequent Executive Orders, most recently Executive Order D 2020-268 on December 3, 2020, the Colorado Division of Insurance (the Division) is issuing this bulletin directing insurers who provide individual health benefit plans to continue such coverage through December 31, 2020, or the rescission of this Bulletin, whichever is earlier. Coloradans should have access to health insurance during the COVID-19 disaster emergency, and policies should not be cancelled for the non-payment of premiums due to financial hardship or other adverse circumstances resulting from the COVID-19 public health emergency.

II. Applicability and Scope

This bulletin is intended to provide guidance to all insurers offering individual health benefit plans in the State of Colorado. Carriers are directed to make such accommodations available to policyholders beginning with premiums due for April 2020 coverage and continuing through December 2020 coverage. Nothing in this Bulletin alters an applicant's obligation to make an initial premium payment so as to first effectuate coverage.

III. Division Position

A. Accommodations Regarding Deferral of Grace Periods and Cancellation of Policies through December 31, 2020

Carriers are directed to defer the triggering of a grace period for a policyholder's failure to pay premium or otherwise make reasonable accommodations to prevent



policyholders from losing coverage due to non-payment or partial payment of premiums during this unprecedented time.

Additional reasonable accommodations should include, but not be limited to:

1. Extension of premium deferrals and premium due dates;
2. Acceptance of partial payments;
3. The use of payment plans; and
4. Waiver of late payment fees, installment fees, interest, or other associated penalties.

Carriers are directed to make such accommodations available to the policyholder through December 31, 2020, or this Bulletin is rescinded, whichever is earlier. Carriers may resume imposition of grace periods as required for terminations that will be effective after December 31, 2020.

Except where the policyholder has agreed to cancel the policy at an earlier date, the effective date of termination shall be December 31, 2020 and shall not be retroactive to the first month of non-payment of premium unless retroactive termination is requested by the policyholder.

If a carrier has issued a notification of health coverage cancellation for non-payment of premium for the month of April or any month thereafter but before January 1, 2021, the carrier is directed to inform the policyholder of the premium accommodations it is offering and that the cancellation can be suspended until December 31, 2020 or this Bulletin is rescinded, whichever is earlier, unless the policyholder specifically directs the carrier to cancel coverage.

This moratorium does not apply to cancellations in cases of fraud or intentional misrepresentation of a material fact.

The accommodations above address premium payments and coverage cancellations, and delay the start of any applicable state or federal grace periods.

B. Flexibility around Payments

Carriers are directed to work with policyholders impacted by the COVID-19 disaster emergency and make allowances for the payment of premiums that become due during that time. Carriers should work with policyholders to set up affordable payment plans to collect past due premiums without loss of coverage, and should not require the full payment as a balloon payment for past due premiums at the end of

the COVID-19 disaster emergency. Carriers are not required to treat partial payments as full payment for any past premium due.

Carriers are also prohibited from reporting negative data regarding late payments to credit reporting agencies or referring policyholders to a debt collection agency.

Automatic bank drafts or electronic fund transfers for premium payments may continue.

C. Alternative Methods of Payment

Any person or entity that accepts premium payments on behalf of a carrier is directed to allow practicable alternative methods of payment, such as online payments or other arrangements that eliminate the need for in-person payments, to protect the safety of individuals and the public.

D. Notice to Policyholders

Carriers shall provide policyholders who have failed to pay premium, in full or in part, during the COVID-19 disaster emergency with information of the accommodations available to them as a result of this Bulletin.

E. Reporting to the Division of Insurance

Carriers shall report the following information to the Division by January 15, 2021 for the period from March 31, 2020 through December 31, 2020:

1. The number of policies in effect as of March 31, 2020.
2. The number of new policies effectuated from April 1 through December 31, 2020.
3. For the policies in effect on March 31, 2020, and those effectuated thereafter, the number of policies that were terminated for nonpayment of premiums during this period.
4. For the policies in effect on March 31, 2020, and those effectuated thereafter, the number of policies that were terminated at the request of the policyholder during this period.
5. For the policies in effect on March 31, 2020, and those effectuated thereafter, the number of policies for which the carrier deferred the triggering of a grace period during this period.

6. For the policies in effect on March 31, 2020, and those effectuated thereafter, the accommodations that have been provided to policyholders pursuant to this Bulletin during this period.

F. Carrier Requirements for Plans Issued on or after January 1, 2021

For individual market plans beginning on or after January 1, 2021, carriers shall renew or enroll individuals who effectuate 2021 coverage. Carriers shall not refuse to provide coverage or otherwise demand payment of past premiums for the 2020 plan year as a condition of 2021 plan year coverage.

IV. Enforcement

Carriers undertaking accommodations to protect policyholders as required by other states' directives and orders may submit a description of those accommodations to the Division for review. If the Division determines those accommodations meet the goals of this Bulletin, the Division will allow the carrier to apply those accommodations to satisfy the directives in this Bulletin. Please note that the Division does not anticipate allowing any accommodation to the directive in this Bulletin to defer the triggering of a grace period.

The DOI will not view accommodations made to policyholders pursuant to this Bulletin as violating Colorado's insurance laws regarding unfair methods of competition or unfair or deceptive trade practices.

V. Additional Resources

For more information on insurance and COVID-19, please see the DOI website here: <https://doi.colorado.gov/covid-19-insurance>

For more information on COVID-19, please see the CDPHE website here: <https://www.colorado.gov/pacific/cdphe/2019-novel-coronavirus>

For more information regarding the Centers for Medicare & Medicaid Services (CMS) Guidance on payment and grace period flexibilities, please see the CMS website here: <https://www.cms.gov/About-CMS/Agency-Information/Emergency/EPRO/Current-Emergencies/Current-Emergencies-page>

For more information or questions about your current coverage, please contact:

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VI. History

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