

FIXED INDEMNITY INSURANCE NOTICE

The ACA market reform mandates (as well as the HIPAA portability rules) do not apply to any group health plan that qualifies as an “excepted benefit.”

One category of excepted benefits is independent, non-coordinated excepted benefits, which includes accident coverage, critical illness (including specified disease or illness coverage like cancer-only policies), and hospital or other fixed indemnity insurance. Final Rules were issued on these coverages, including a revised, mandatory notice for fixed indemnity insurance coverage.

Distribution Requirements: The final rules provide that the notice must be prominently displayed (in either paper or electronic form) on the first page of any marketing, application, and new hire enrollment or reenrollment (OE) materials that are provided to participants at or before the time participants are given the opportunity to enroll (or reenroll) in the coverage. Specifically, the notice language is required on the first page of any marketing, application, and enrollment materials in at least 14-point font. These notice provisions for fixed indemnity excepted benefits coverage are applicable to both new and existing coverage with respect to plan years beginning on or after January 1, 2025.

Note that this notice requirement is only applicable to hospital indemnity and other fixed indemnity insurance, including a “package” of coverage options that include fixed indemnity insurance (e.g., coverage of preventive services coupled with fixed indemnity insurance). The notice requirement does not apply to accident insurance or critical illness insurance coverage.

The rules finalized the following content for the notice:

IMPORTANT: This is a fixed indemnity policy, NOT health insurance. This fixed indemnity policy may pay you a limited dollar amount if you’re sick or hospitalized. You’re still responsible for paying the cost of your care.

- The payment you get isn’t based on the size of your medical bill.
- There might be a limit on how much this policy will pay each year.
- This policy isn’t a substitute for comprehensive health insurance.
- Since this policy isn’t health insurance, it doesn’t have to include most federal consumer protections that apply to health insurance.

Looking for comprehensive health insurance?

- Visit [HealthCare.gov](https://www.healthcare.gov) or call **1-800-318-2596** (TTY: 1-855-889-4325) to find health coverage options.
- To find out if you can get health insurance through your job, or a family member’s job, contact the employer.

Questions about this policy?

- For questions or complaints about this policy, contact your state Department of Insurance. Find their number on the National Association of Insurance Commissioners’ website ([naic.org](https://www.naic.org)) under “Insurance Departments.”
- If you have this policy through your job, or a family member’s job, contact the employer.