



ASSURANT
Health®



Health Care Reform
Brief

Small Group
Products

August • 2010

Grandfathered Small Group Plans

Fully insured and self-funded group health insurance plans that were in effect on March 23, 2010, and continuously covered at least one person (not necessarily the same person) since then are considered “grandfathered.” That means those groups can retain their plans’ benefits and are not required to add the new benefits that are part of the new health care reform legislation.

We are providing information on grandfathered plans to help employers decide what steps are best for their business. Some plan changes will affect grandfathered status. While Assurant Health expects the Department of Health and Human Services to further clarify grandfathered status and other details of reform, the following information represents our current interpretation of the new law and its impact on grandfathered plans at this time.

<i>Will remove grandfathered status</i>	<i>Will not remove grandfathered status</i>
Termination of existing plan, even to purchase a new Assurant Health plan	Removal of Office Visit Copay
Plan lapses due to nonpayment and is not reinstated with same plan benefits within 30 days*	Increase in benefits
Reducing benefits for a particular condition or service	Removal or addition of dental or life coverage
Increasing coinsurance percentages	Removal of an Accident Medical Expense (AME) benefit
Increasing deductibles, copays and out-of-pocket limits above certain levels	Removal or addition of a dependent/spouse
Decreasing employer contribution levels	Changes to comply with laws and/or regulations
	If lapsed due to nonpayment, reinstatement of same plan benefits is allowed within 30 days*

Some reform changes will affect all plans regardless of grandfathered status. The following list of enhanced benefits will be applied to grandfathered plans as of January 1, 2011.[†] There will be little to no cost impact from adding these benefits. Any pricing change would be reflected at the first renewal after January 1, 2011.[†]

- Lifetime benefit maximums will be removed
- Dependents will be able to remain on a parent’s plan until age 26 regardless of student, marital, dependent or residency status
- Dependents under 19 years old will not be subject to pre-existing condition limitations
- Some annual dollar limits will be removed, such as for outpatient physical medicine services

*Subject to underwriting.

[†]Changes to self-funded plans will be applied at renewal, on or after October 1, 2010.

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