

Overview

The recent final rule affecting Short Term Limited Duration Insurance (STLDI) and Fixed Indemnity (FI) plans marks significant regulatory changes with broad implications. This summary provides essential guidance for brokers on adapting to these changes, ensuring compliance, and continuing to effectively serve their clients.

Key Changes and Compliance Deadlines

1. STLDI Regulations:

- **Duration Limits:** Policies issued **on or after September 1, 2024**, must have an expiration date no more than three months after the effective date, with a possible extension of one additional month (totaling four months maximum), and must display a notice as shown on two in 14pt font.
- **Non-Stacking:** Each policy can only be affected once within a 12-month period by the same issuer for the same policyholder, preventing stacking of policies.

2. Fixed Indemnity (FI) Rules:

- **Effective January 1, 2025**, all marketing, application, and enrollment materials must clearly display notices explaining the limitations of FI plans compared to ACA-compliant health insurance, ensuring transparency.

Broker Actions and Responsibilities

1. **Educational Outreach:** Engage in proactive consumer education about the differences between STLDI, FI plans, and comprehensive ACA plans. Start before September 1st to educate your existing clients on the changes.
2. **Advocacy Engagement:** Participate in industry advocacy efforts to influence future regulations that impact STLDI and FI plans. Your involvement can help shape a more favorable regulatory environment for both brokers and the client's in their charge.

NABIP's Advocacy Highlights

NABIP has been pivotal in ensuring the final regulations do not overly restrict Fixed Indemnity (FI) plans. We will continue to advocate for more flexible Short Term Limited Duration Insurance (STLDI) limits. Through discussions with the White House Office of Management and Budget (OMB) and formal comments, we are committed to shaping regulations to meet the needs of consumers and brokers.

Future Outlook

The insurance landscape will continue to evolve, and brokers play a vital role in navigating this change. By maintaining a commitment to ethical practices and consumer education, brokers can ensure compliance with new regulations and continue to provide valuable service to their clients. Stay connected with NABIP for ongoing updates and support as you adapt to these regulatory changes.

STLDI Notice Sample

**IMPORTANT: This is a short-term, limited-duration policy,
NOT comprehensive health coverage**

This is a temporary limited policy that has fewer benefits and Federal protections than other types of health insurance options, like those on HealthCare.gov.

This policy	Insurance on HealthCare.gov
Might not cover you due to preexisting health conditions like diabetes, cancer, stroke, arthritis, heart disease, mental health & substance use disorders	Can't deny you coverage due to preexisting health conditions
Might not cover things like prescription drugs, preventive screenings, maternity care, emergency services, hospitalization, pediatric care, physical therapy & more	Covers all essential health benefits
Might have no limit on what you pay out-of-pocket for care	Protects you with limits on what you pay each year out-of-pocket for essential health benefits
You won't qualify for Federal financial help to pay premiums & out-of-pocket costs	Many people qualify for Federal financial help
Doesn't have to meet Federal standards for comprehensive health coverage	All plans must meet Federal standards

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."

Fixed Indemnity Notice Sample

**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.

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- 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.