

**DEPARTMENT OF INSURANCE****Legal Division, Policy Approval Bureau - Sacramento**300 Capitol Mall, 17th Floor  
Sacramento, CA 95814**NOTICE TO HEALTH INSURERS****STANDARDS FOR INSURER TO CONSUMER NOTICE REQUIRED BY CIC § 10113.9(b)(4), (AS AMENDED BY SB 227) INFORMING APPLICANTS OF MAJOR RISK MEDICAL INSURANCE PROGRAM AND THE CALIFORNIA PRE-EXISTING CONDITION INSURANCE PLAN**

Pursuant to Senate Bill 227 (Stats. 2010, Chapter 31), the California Department of Insurance (CDI), in consultation with Managed Risk Medical Insurance Board (MRMIB), issues the following standards to be provided in the notice required by California Insurance Code (CIC) § 10113.9(b)(4), as amended.<sup>1</sup>

SB 227 was effective June 29, 2010.

These standards are effective immediately and are issued pursuant to CIC § 10113.9(b)(4). All references herein to the CIC refer to the CIC as amended by SB 227, effective June 29, 2010.

SB 227 requires the Managed Risk Medical Insurance Board (MRMIB) to administer a federal temporary high risk pool to provide, until December 31, 2013, health coverage to individuals with pre-existing conditions, in accordance with the Patient Protection and Affordable Care Act (Public Law 111-148) (PPACA). This program, which began enrollment in October 2010, is known as the California Pre-Existing Condition Insurance Plan (California PCIP).

SB 227 amended CIC § 10113.9(b)(4) to require CDI, in conjunction with MRMIB, to create standards for a notice to be sent by insurers to applicants of health insurance in the event that an insurer rejects an applicant, or the dependents of an applicant, for coverage or if the insurer offers coverage at a rate that is higher than the standard risk rate. This notice shall be sent when the insurer informs applicants of the denial of coverage or that the coverage would be at a higher rate. The purpose of the notice is to inform such an applicant of alternative health insurance coverage available in the California Major Risk Medical Insurance Program (MRMIP), and the California PCIP. Accordingly, the following information must be included in the notice to such applicants:

---

<sup>1</sup> Formerly CIC § 10113.9(d).

**[NOTICE BEGINS]**

**[Insurer's Name]**

**[Insurer's Telephone Number]**

**[Insurer's Address]**

**[Insurer's Website]**

**NOTICE TO APPLICANT(S) REGARDING ALTERNATIVE HEALTH COVERAGE  
OPTIONS IN STATE AND FEDERAL HIGH RISK POOLS**

**You or your family members/dependent(s) were rejected for health insurance coverage because of [insert reason], or that the health insurance coverage offered to you is priced higher than the standard risk rate.**

**Therefore, you may be eligible for the state Major Risk Medical Insurance Program (MRMIP) or the federally-funded California Pre-Existing Condition Insurance Plan (PCIP).**

**MRMIP:**

**MRMIP is a state program that provides health insurance for Californians unable to obtain coverage in the individual health insurance market because of their pre-existing conditions. Eligible Californians that enroll pay a portion of the program costs by paying premiums. The State of California supplements those premiums to cover the full cost of care in MRMIP. Tobacco tax funds currently subsidize MRMIP.**

**Qualifications:**

- California resident**
- Cannot be eligible for both Part A and Part B of Medicare, unless eligible solely because of end-stage renal disease**
- Cannot be eligible to purchase any health coverage for continuation of benefits under COBRA or Cal-COBRA, and**
- Unable to secure adequate coverage**

**To learn more about MRMIP, go to [www.mrmib.ca.gov](http://www.mrmib.ca.gov) or call 1-800-289-6574**

**The California PCIP:**

**The California PCIP is a federal program that offers health coverage to Californians who are medically-uninsurable because of their pre-existing conditions. As a result of federal health care reform (the Patient Protection and Affordable Care Act), California recently implemented a federally-funded health coverage program called the California PCIP. This program is available for individuals who did not have health coverage in the prior 6 months.**

**You are eligible for the California PCIP if the following requirements are met:**

- **You must be a California resident**
- **You must have had no health insurance coverage for the 6 months prior to enrolling. For example, this means that in the last 6 months you were not enrolled in an individual or job-based health plan, including COBRA or Cal-COBRA, or enrolled in Medicare Part A and/or Part B, or in No-Cost Medicaid/No-Cost Medi-Cal**
- **You must be a U.S. Citizen, U.S. National, or lawfully present individual, and**
- **You must have been denied individual insurance coverage within the past 12 months, for a pre-existing condition as shown by:**
  - **Rejection letter from a health insurance company in the last 12 months, or**
  - **An offer of coverage with premiums higher than those of MRMIP preferred provider organization (PPO) plan in the geographic region where the individual resides.**

**To learn more about the California PCIP, go to [www.pcip.ca.gov](http://www.pcip.ca.gov) or call 1-877-428-5060**

**[END OF NOTICE]**

This is a sample notice that may be used on the insurer's letterhead along with the insurer's contact information. However, if an insurer chooses not to use this format, all the information provided in the sample notice must be included in the notice provided to the applicant, on the insurer's letterhead, and including the insurer's contact information. The notice must be in at least 12-point font. Please note that the notice does not have to be issued when an insurer rejects an applicant for Medicare Supplement Insurance.

Specific questions about the standards provided in the notice should be directed to Stesha Hodges, [Stesha.Hodges@insurance.ca.gov](mailto:Stesha.Hodges@insurance.ca.gov).