

Important Update

Tri-Agency Final Rules – Notice Requirement

Reliance Standard Hospital Indemnity Insurance

The U.S. Department of the Treasury, Department of Labor, and Department of Health and Human Services published the final rule changes related to short-term, limited-duration insurance (STLDI), hospital or other fixed indemnity coverage, and taxation of fixed indemnity benefits. These rules are the final version of those put forth by the Departments on July 12, 2023, the stated purpose of which was to protect consumers who may unintentionally buy an insurance product that is not the comprehensive major medical insurance they were expecting. The Departments' immediate solution is to further limit the scope of STLDI and put additional notice requirements on fixed indemnity products. The final rule can be viewed [here](#).

Notice requirement details

The final rules require that the plan or issuer prominently display a disclosure on the first page (in either paper or electronic form, including on a website) of any marketing, application, and/or enrollment materials that are provided to participants at or before the time of enrollment or re-enrollment in the coverage. The disclosure, which must be in at least 14 point font, reads as follows:

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) online 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.*

What is Reliance Standard doing to comply with this ruling?

- Filing in all states to gain approval for the new disclosure language.
- Updating Hospital Indemnity highlight sheets, enrollment forms and other employee facing marketing materials and websites to include the new disclosure language.
- Contacting our enrollment platform partners to ensure the new disclosure language is presented at time of enrollment for Hospital Indemnity coverage.
- All of the above will occur in time for the 1/1/25 effective date of this ruling.

Here's what you need to do as an employer:

- For enrollments that occur on or after 1/1/2025, ensure employees are presented with the required disclosure prior to or at time of enrollment.
- This requirement can be satisfied by presenting the language within the enrollment website at time of enrollment. Reliance Matrix has reached out to all the enrollment platform providers we have relationships with and confirmed they plan to add this language.
- If you work with an enrollment platform that is not adding this language, distributing highlight sheets with the disclosure language prior to the enrollment will satisfy the requirement. You can request an updated highlight sheet through your Reliance Matrix service team.

**For more information, contact your Reliance Matrix sales or account manager
or visit reliancematrix.com.**

