



# What to Know about Insurance Coverage Cancellation

Individual health insurance is usually sold as a 12-month contract between you and an insurance company. Health insurers can choose to change or no longer offer (cancel) coverage when your contract with them is over. If this happens, they'll send you a coverage notice.

Most individual and family health plans must cover a minimum set of essential health benefits and provide certain consumer protections.

## What are health insurance companies required to do at the end of the 12-month contract?

Individual plans are generally “guaranteed renewable” at the end of the 12-month contract. But the insurance company can make changes, like increasing premiums or your out-of-pocket costs (like deductibles or copayments) and having fewer covered benefits. Your health insurance company may stop offering the coverage entirely if it:

- Sends you a written letter at least 90 days before the coverage will end. In some cases, a 60-day letter is enough.
- Gives you the option to buy any other individual plan that it offers to other people.
- Treats you the same as any other person who has that coverage, regardless of your health status.
- Follows any additional state requirements.

If your health insurance company cancels your plan, it must offer you a chance to buy a new one. The only exception is if it has canceled all of the health insurance products it offers to people in your state.

In some cases, your health insurance company may give you the option to renew the coverage you had before January 1, 2014 (and have it renewed each year since then), without the coverage meeting certain federal requirements. If your health insurance company gives you the option to renew your coverage in a plan that doesn't include the minimum set of essential health benefits and certain consumer protections, it must send you a letter telling you of this option.

If you're concerned your health insurance company isn't following these requirements, contact your State Insurance Department.

## What can't health insurance companies do?

Health insurance companies can't market in a way that discourages people with significant health needs from enrolling in their plans. They also can't discourage certain enrollees from buying certain products (like individual plans that cover a minimum set of essential health benefits and provide certain consumer protections, including qualified health plans in the Marketplace).

## What are my options if I get a cancellation letter?

You have rights to help you get the health coverage you need. You have the right to buy any other individual plan that you're eligible for, whether it's offered by your health insurance company, or by any other insurance company offering plans through or outside of the Marketplace. Visit [HealthCare.gov](https://www.healthcare.gov), or call the Marketplace Call Center at 1-800-318-2596 for more information. TTY users can call 1-855-889-4325.

If you got a cancellation letter from your health insurance company, you can:

- Buy another plan from your health insurance company, if one is available to you. The health insurance company must allow you to buy any plans available to you, either directly from the company, or from an agent or broker. Call your insurance company's customer service department for more information about plans that may be available in your area.
- Visit [HealthCare.gov](https://www.healthcare.gov) to learn about your options and apply for new coverage through the Health Insurance Marketplace®. You may qualify for financial help with the cost of monthly premiums and out-of-pocket costs based on your income. All Marketplace plans include rights and protections, and cover the same core set of essential health benefits. You can compare plans based on price, benefits, and other features before you sign up for a plan and use any financial help you may be eligible for. Some people qualify for free or low-cost coverage through Medicaid or the Children's Health Insurance Program (CHIP). Visit [HealthCare.gov/lower-costs](https://www.healthcare.gov/lower-costs) to learn more about coverage and financial help that may be available to you.
- Buy a plan from another company outside the Marketplace. Most plans outside the Marketplace include rights and protections. You can contact any health insurance company to find out about plans available in your area, or visit online health insurance sellers to compare prices and features of a number of plans, then enroll (the company may not offer all plans available in your area). You can also enroll through an insurance agent or broker. Visit [HealthCare.gov/find-assistance](https://www.healthcare.gov/find-assistance) to find an agent or broker near you.
- Sign up for other coverage that may be available to you. Depending on your situation, this may include options like a group health plan through a job, Medicare, the Veterans health care program, TRICARE, or others.

## Can I buy a Catastrophic plan if my plan is canceled?

When you apply through the Marketplace, you'll see all of the types of health plans available to you in your area.

People under 30 (and some others who qualify for a "hardship" or "affordability" exemption) will also have the option to buy a Catastrophic plan. This type of plan covers you only if you need extensive medical care to protect you from worst-case scenarios. Monthly premiums for Catastrophic plans are usually low, but you can't use financial assistance to reduce your costs. If you're eligible to buy a Catastrophic plan through the Marketplace, but you also qualify for a premium tax credit based on your income, a Bronze or Silver plan is likely to be a better value. Be sure to compare. For more information about qualifying for Marketplace plans, including Catastrophic plans, visit [HealthCare.gov/choose-a-plan/catastrophic-health-plans](https://www.healthcare.gov/choose-a-plan/catastrophic-health-plans).

## What if my health insurance company enrolled me in a new plan?

If your plan was canceled and your health insurance company already enrolled you in a new plan, you can still switch to a different Marketplace plan during Open Enrollment (November 1 – January 15 each year). If your plan was canceled outside Marketplace Open Enrollment, you may qualify for a Special Enrollment Period and generally have 60 days before and after the date your coverage ends to enroll in a new Marketplace plan.

Remember, if you buy a plan through the Marketplace, you may qualify for financial help with your monthly premiums and out-of-pocket costs based on your household income and family size. If you buy health insurance outside the Marketplace, you won't get this help.

Fill out a Marketplace application to find out if you qualify for financial help through the Marketplace before you decide to enroll in the plan recommended by your health insurance company. If you currently have an individual insurance plan, provide this information when you apply for Marketplace coverage:

- When asked about existing coverage, select your name, then identify if the health coverage you have now is Marketplace coverage, coverage through your job (or another person's job like a spouse or parent), or other coverage that includes the minimum set of essential health benefits and certain consumer protections.
- Don't check the box for other types of coverage (a group health plan through a job, Medicare, VA coverage, TRICARE, or others) unless that applies to you.

As soon as you apply, you'll get information about the coverage and financial help available to you. For more help, visit [HealthCare.gov](https://www.healthcare.gov), or call the Marketplace Call Center at 1-800-318-2596. TTY users can call 1-855-889-4325.

You have the right to get your information in an accessible format, like large print, braille, or audio.

You also have the right to file a complaint if you feel you've been discriminated against.

Visit [CMS.gov/About-CMS/Agency-Information/Aboutwebsite/CMSNondiscriminationNotice](https://www.cms.gov/About-CMS/Agency-Information/Aboutwebsite/CMSNondiscriminationNotice)

or call 1-800-318-2596. TTY users can call 1-855-889-4325.

## Health Insurance Marketplace

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