



COMMONWEALTH OF PUERTO RICO  
**OFFICE OF THE COMMISSIONER OF INSURANCE**

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October 25, 2013

**RULING LETTER: CN-2013-160-AS**

ALL HEALTH INSURANCE ORGANIZATIONS AND INSURERS THAT WRITE HEALTH INSURANCE IN PUERTO RICO OTHER THAN MEDICARE ADVANTAGE OR MEDICARE SUPPLEMENTARY PLANS

**EARLY RENEWAL PROCEDURE**

Dear Sir and Madams:

The Office of the Commissioner of Insurance of Puerto Rico has been consulted several times about the feasibility of renewing current health insurance plans before their expiration date. To address these concerns, it should be clarified that this procedure, known as early renewal, is allowed under the provisions of the Affordable Care Act ("ACA") and the Puerto Rico Insurance Code ("CSSPR").

However, during the early renewal process it must be ensured that certain conditions and requirements be met in order to guarantee the rights of the insured and prevent unfair practices. To this effect, the conditions under which a health insurance organization or insurer may offer an insured the option of early renewal of the health insurance plan currently in effect before the original termination date provided in the coverage are principally the following:

1. Health insurance organizations and insurers may not use this early renewal procedure as a practice to avoid compliance with the provisions of the CSSPR or ACA, or violating the rights of the insured.
2. As part of the early renewal procedure, the insured must give his or her consent voluntarily, in an informed manner, and in writing, to the effect that the health insurance plan is being renewed before the originally established date of expiration. The insurers and health insurance organizations shall advise the insured regarding the consequences of this decision and retain written evidence of such consent.
3. Health insurance organizations and insurers have the responsibility to advise the insured that have voluntarily accepted early renewal of their health insurance plans regarding the fact that the health insurance plans that are so renewed will

not cover the essential health benefits nor the coverage requirements provided in ACA that will enter into effect on January 1, 2014.

4. The renewed health insurance plan must include the same covered services, limitations, conditions, and exclusions provided in the previous health insurance plan. That is to say, with the exception of the effective term, no modification may be made to the health insurance plan.
5. The early renewal of the health insurance plans must be effective on or before December 31, 2013 and such plans may only be effective until December 30, 2014. Health insurance organizations and insurers shall provide an endorsement for coverage of any period that is left uncovered from the expiration date of the renewed health insurance plan or a policy with a short term until January 1, 2015, as appropriate. On January 1, 2015, all health insurance plans including those that were in effect prior to that date,<sup>1</sup> must comply with the provisions of the CSSPR and of ACA.
6. The insured should be notified regarding early renewal of the current health insurance plan 60 days before the effective date of the renewal. The notification shall be uniform for all of the insureds interested in early renewal.

In addition to the principal conditions and requirements set forth above, during the orientation and early renewal process, the health insurance organizations, the insurers and any other intermediary shall refrain from providing false, misleading, or incorrect information or any other information that would tend to coerce or dissuade the insured, as well as from engaging in any conduct that constitutes an unfair practice under Chapter 27 of the Puerto Rico Insurance Code or that violates any of the provisions of the CSSPR or of ACA.

Strict compliance with this Ruling Letter is hereby required.

Very truly yours,

SIGNED

Ángela Weyne-Roig  
Commissioner of Insurance

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<sup>1</sup> With the exception of grandfathered plans, which are exempted from certain provisions of ACA.