



FOR IMMEDIATE RELEASE – October 6, 2010

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Division of Insurance Ready to Assist on Child-Only Policies in Colorado

As of September 23, Federal law prohibits insurance carriers from denying coverage to children based on pre-existing conditions. Rather than offer “child-only” policies to both well children and children who have pre-existing conditions, some insurance carriers opted to stop offering new policies to any child.

“Many of these children do not have life threatening conditions, but their families want to take responsibility for their health coverage,” Insurance Commissioner Marcy Morrison said. “We want these children and their families to have the choices they need.”

The Division of Insurance passed an emergency regulation on September 22, establishing specific enrollment periods for all carriers offering “child-only” policies. “We heard from some carriers who felt parents might wait to enroll children until there was a medical need, which can increase financial risk for carriers. By creating uniform enrollment periods for all carriers, we intended to spread the risk across companies,” Morrison said.

A “child-only” policy means there is no adult on the individual policy. There can be many scenarios for this type of policy: the parents may be insured through an employer-sponsored plan which does not offer dependent coverage; the parent(s) may have medical conditions themselves and be covered by a high-risk pool, such as CoverColorado; or the family may not be able to afford coverage for all members, and is seeking coverage for the children only. Life events such as divorce or job loss may also affect insurance coverage.

Current Colorado law does not require companies who offer family health coverage to also offer “child-only” policies. “The carriers are allowed to choose which policies to offer in Colorado,” Morrison said.

So far, the Division has heard from just two companies, Kaiser Permanente and Rocky Mountain Health Plans (based in Grand Junction), who said they will continue to offer the plans. “If there are others out there who still plan to offer these child-only policies, we’d like to hear about it, so we can refer consumers to them,” Morrison said. Carriers are not required to notify the Division of Insurance when they stop or start marketing a specific plan, so nobody is certain how many companies are still offering “child-only” policies in Colorado.

The Division of Insurance has received calls from consumers looking for “child-only” policies when the change in law was announced.

“Parents have told us there are few options to get coverage for their kids,” Morrison said. “We are seeking resolutions that will address the industry’s concerns, but allow families to get children covered.”

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DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.