



NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS



NEW NATIONAL HEALTH INSURANCE LAW

What It Means For You and Your Clients

5 THINGS CLIENTS NEED TO KNOW FOR 2010 (Revised 4/20/10)

1. DEPENDENT COVERAGE EXTENDED TO AGE 26 (BEGINNING WITH PLAN YEARS ON OR AFTER SEPTEMBER 23, 2010)

- (a) Dependent children must be covered until the child reaches age 26. This includes married dependent children but does not include the spouse or grandchildren
- (b) Grandfathered plan may exclude such dependent children if they are eligible for coverage under another employer-sponsored plan
- (c) Dependent age extension applies only to medical plans

2. NO LIFETIME LIMITS (BEGINNING WITH PLAN YEARS ON OR AFTER SEPTEMBER 23, 2010)

- (a) No lifetime dollar limits on the value of “essential benefits”
- (b) Lifetime limit prohibition does NOT apply to non-essential benefits
- (c) Grandfathered plans may not receive this benefit change until their next scheduled renewal date
- (d) Prohibition on lifetime limits applies only to medical plans

3. NO PRE-EXISTING CONDITION EXCLUSIONS FOR DEPENDENT CHILDREN (BEGINNING WITH PLAN YEARS ON OR AFTER SEPTEMBER 23, 2010)

- (a) Prohibits pre-existing condition exclusions on children under the age of 19
- (b) Prohibition of pre-existing condition exclusions for adults takes effect in 2014
- (c) Prohibition on pre-ex applies only to medical plans

4. NEW RETIREE REINSURANCE (BEGINNING JUNE 23, 2010)

- (a) New program to encourage employers to maintain benefits to retirees over 55 and not eligible for Medicare
- (b) Program will reimburse employer-provided health plans for 80% of certain costs of providing health insurance to early retirees
- (c) Reimbursement applies only to claims that exceed \$15,000 but are no greater than \$90,000

5. SMALL BUSINESS TAX CREDIT (EFFECTIVE NOW)

- (a) Must cover at least 50 percent of the cost for workers, pay average annual wages below \$50,000 and have less than the equivalent of 25 full-time workers (i.e. a firm with fewer than 50 half-time workers would be eligible)
- (b) Tax credit worth up to 35 percent of the premiums (25 percent for nonprofits)
- (c) Full credit is available to firms with average wages below \$25,000 and less than 10 full-time equivalent workers
- (d) Phases out gradually for firms with average wages between \$25,000 and \$50,000 and equivalent of between 10 and 25 full-time workers

Consult with your NAIFA advisor for more information.

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