



Office of the Lieutenant Governor
Division of Banking and Insurance

Virgin Islands

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BULLETIN 2011-06

**TO: ALL AGENT, BROKER AND AGENCIES AND INSURERS
TRANSACTIONING HEALTH INSURANCE BUSINESS IN THE TERRITORY**

**RE: PATIENT PROTECTION AND AFFORDABLE CARE ACT HEALTH
CARE AND EDUCATION RECONCILIATION ACT OF 2010- INDIVIDUAL
AND GROUP MARKET REFORM**

The Patient Protection and Affordable Care Act ("PPACA") was signed into law on March 23, 2010 as Public Law No. 111-148 and amended on March 30, 2010 by the Healthcare and Education Reconciliation Act of 2010 ("HCERA"), Pub. L. No. 111-152. In accordance with the Affordable Care Act, the U.S. Virgin Islands will enforce the provisions of Part A and B as well as other applicable sections in regards to the individual and group market.

It has come to the Division's attention that International Medical Group ("IMG") is transacting individual health insurance business in the territory without any license or authorization by the Commissioner of Insurance to conduct insurance business in the Virgin Islands. Moreover, the insurer claims the intent and substance of PPACA is to regulate access by US Citizens and permanent legal residents (Green Card Holders) to health care and health insurance in the US domestic market, where the health care is expressly intended to be utilized by Americans in the US; i.e. domestic health plans and domestic health insurance.

Please note that this insurer's interpretation of the provision is not consistent with the Affordable Care Act. Notwithstanding the fact that many of the provisions of the Act do not apply to the territories, most of the insurance reforms under the new law do apply to the U.S. Virgin Islands. These include the reforms that took effect from September 23,

2010: (1) no lifetime or annual limits on coverage, (2) a prohibition against rescissions, (3) coverage of preventative health services, (4) the extension of dependent coverage to age 26, (5) premium rating requirements, and (6) internal and external appeal process, etc. Furthermore, insurance issuers and plan administrators will be required to develop and provide to their insureds documents using uniform explanation of coverage and standardized definitions. In the longer term, more permanent reforms in the insurance markets will become effective by January 1, 2014. These include: (1) a prohibition against pre-existing condition exclusions or other discrimination based on health status, (2) a prohibition against discriminatory premium rates, and (5) guaranteed issue and renewal and minimum coverage benefits (6) essential health benefits, which includes Standards relating to benefits for mothers and newborns, Parity in mental health and substance use disorder benefits, Required coverage for reconstructive surgery following mastectomies, etc.

Accordingly, any licensee found to be transacting insurance business with any unlicensed insurer will be in violation of the law and all applicable penalties and enforcement actions will be brought against the licensee.

Date this 14 day of September, 2011 at St. Thomas, U.S. Virgin Islands



John D. McDonald
Director