

## Key

Require insurers to sell coverage to all applicants?	<ul style="list-style-type: none"> <li>● All insurers in the individual market must offer all policies to all applicants.</li> </ul>
Require affordable coverage alternative for uninsurables?	<ul style="list-style-type: none"> <li>● State has a mechanism (high-risk pool, guaranteed issue plans) that (1) covers all individuals that health plans deny, (2) sets premiums at 125% or less of standard market rates (for some or all products), and (3) offers income-based subsidies.</li> <li>◐ State has a coverage mechanism that meets two of the three criteria above.</li> </ul>
Prohibit higher premiums based on health status?	<ul style="list-style-type: none"> <li>● State prohibits insurers from varying premiums based on health status or medical history.</li> <li>◐ State prohibits insurers from varying premiums more than 25% from the index rate based on health status or medical history.</li> </ul>
Advance review of proposed premium rates?	<ul style="list-style-type: none"> <li>● State regulators review rates and premium increases before insurers can charge them.</li> <li>◐ State regulators review some rates and premium increases before insurers can charge them.</li> </ul>
Require insurers to spend at least 75% of premiums on health care?	<ul style="list-style-type: none"> <li>● State requires all insurers to spend at least 75% of premiums on medical care.</li> <li>◐ State requires some insurers to spend at least 75% of premiums on medical care.</li> </ul>
Limit how long coverage can exclude pre-existing conditions?	<ul style="list-style-type: none"> <li>● Insurers can exclude coverage of pre-existing conditions only for 0-6 months after enrollment.</li> <li>◐ Insurers can exclude coverage of pre-existing conditions only for 7-12 months after enrollment.</li> <li>○ Insurers can exclude coverage of pre-existing conditions for more than 12 months.</li> </ul>
Limit look-back period?	<ul style="list-style-type: none"> <li>● Insurers can look back 0-6 months in an individual's medical history to identify pre-existing conditions.</li> <li>◐ Insurers can look back 7-12 months in an individual's medical history.</li> <li>○ Insurers can look back more than 12 months in an individual's medical history.</li> </ul>
Use objective standard to define pre-existing conditions?	<ul style="list-style-type: none"> <li>● State defines pre-existing conditions as conditions a medical professional diagnosed or recommended treatment for.</li> <li>○ State has no definition for pre-existing conditions or defines them as conditions for which a prudent person would seek treatment.</li> </ul>
Require medical underwriting be completed during application?	<ul style="list-style-type: none"> <li>● Insurers are required to complete all medical underwriting at the time an individual applies for coverage.</li> <li>◐ Although not required by law, insurers are expected to complete all medical underwriting at the time of application.</li> </ul>
Review insurers' requests to revoke coverage?	<ul style="list-style-type: none"> <li>● State reviews all insurers' requests to revoke individual policies.</li> </ul>
Accept appeals when coverage is revoked?	<ul style="list-style-type: none"> <li>● State gives consumers the right to appeal if their insurer revokes their policy.</li> <li>◐ State investigates consumer complaints if an insurer revokes a policy.</li> </ul>
Review denials for all state-licensed carriers?	<ul style="list-style-type: none"> <li>● State's external review program is available to consumers in all state-licensed health plans.</li> <li>◐ External reviews are available to consumers in some health plans (for example, just HMOs).</li> </ul>
Make external reviewer decisions binding?	<ul style="list-style-type: none"> <li>● Insurers must comply with the decisions of the external review agency, unless the insurer litigates.</li> </ul>
Offer free external reviews regardless of claim size?	<ul style="list-style-type: none"> <li>● State offers external reviews without cost and regardless of claim size.</li> </ul>

For more state-specific information on consumer protections, see Table Notes on page 29 of the full report, *Failing Grades: State Consumer Protections in the Individual Health Insurance Market*, available online at [www.familiesusa.org/resources/publications/reports/failing-grades.html](http://www.familiesusa.org/resources/publications/reports/failing-grades.html).

As pressure mounts on policymakers to find a solution to America's health care crisis, some lawmakers promote the individual health insurance market as the best avenue for reform.

# Failing Grades:

## State Consumer Protections in the Individual Health Insurance Market

### A Scorecard

An individual in this own virtually no bargaining power to obtain good health benefits at a reasonable rate.

**Families USA**  
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# Consumer Protections, by State, as of March 2008

● Full credit   
  Partial credit   
  No credit (see Table Key on next page)

	Availability of Coverage		Premiums			Pre-Existing Conditions			Coverage Revocation			Enforcement of Rights		
	Require insurers to sell coverage to all applicants?	Require affordable coverage alternative for uninsurables?	Prohibit higher premiums based on health status?	Advance review of proposed premium rates?	Require insurers to spend at least 75% of premiums on health care?	Limit how long coverage can exclude pre-existing conditions?	Limit look-back period?	Use objective standard to define pre-existing conditions?	Require medical underwriting be completed during application?	Review insurers' requests to revoke coverage?	Accept appeals when coverage is revoked?	Review denials for all state-licensed carriers?	Make external reviewer decisions binding?	Offer free external reviews regardless of claim size?
Alabama	○	○	○	○	○	○	○	●	◐	○	○	◐	Unknown	Unknown
Alaska	○	○	○	◐	○	○	○	○	○	○	○	●	●	●
Arizona	○	○	○	○	○	○	○	○	○	○	○	●	●	●
Arkansas	○	○	○	●	○	○	○	○	○	○	○	●	●	○
California	○	◐	○	○	○	◐	◐	●	●	○	●	●	●	●
Colorado	○	◐	○	○	○	◐	◐	●	●	○	○	●	●	●
Connecticut	○	●	○	●	○	◐	◐	●	●	●	●	●	●	○
Delaware	○	○	○	○	○	○	○	○	○	○	○	●	●	●
District of Columbia	○	○	○	○	○	○	○	○	○	○	○	●	○	●
Florida	○	○	○	●	○	○	○	○	●	○	○	◐	●	●
Georgia	○	○	○	◐	○	○	○	○	○	○	○	◐	●	○
Hawaii	○	○	○	○	○	○	○	○	○	○	○	◐	●	○
Idaho	○	◐	○	○	○	◐	●	○	○	○	○	○	●	○
Illinois	○	○	○	○	○	○	○	○	○	○	○	◐	●	●
Indiana	○	●	○	●	○	◐	◐	○	●	○	○	◐	●	●
Iowa	○	○	○	●	○	○	○	○	○	○	○	●	●	○
Kansas	○	○	○	●	○	○	○	○	○	○	○	●	●	●
Kentucky	○	○	○	○	○	◐	●	●	○	○	○	◐	●	○
Louisiana	○	○	○	○	○	◐	◐	○	○	○	○	●	●	●
Maine	●	NA	●	●	○	◐	◐	○	NA	NA	NA	●	●	●
Maryland	○	●	○	●	○	○	○	○	●	○	○	●	●	●
Massachusetts	●	NA	●	○	○	●	●	●	NA	NA	NA	●	●	○
Michigan	○	○	○	●	○	◐	◐	●	○	○	○	●	●	●
Minnesota	○	●	◐	●	○	○	●	●	○	○	○	●	●	○
Mississippi	○	○	○	●	○	◐	◐	○	○	○	○	○	○	○
Missouri	○	◐	○	○	○	○	○	○	○	○	○	●	●	○
Montana	○	●	○	○	○	◐	○	●	○	○	○	●	●	●
Nebraska	○	○	○	○	○	○	○	○	◐	○	○	○	●	○
Nevada	○	○	○	●	◐	○	○	●	○	○	○	◐	●	○
New Hampshire	○	◐	◐	●	○	◐	●	●	●	○	○	●	●	○
New Jersey	●	NA	●	○	●	◐	●	○	NA	NA	NA	●	●	○
New Mexico	○	◐	○	●	○	●	●	○	●	○	○	◐	●	●
New York	●	NA	●	◐	●	◐	●	●	NA	NA	NA	●	●	○
North Carolina	○	○	○	●	○	◐	○	●	○	○	○	●	●	●
North Dakota	○	○	○	●	○	◐	●	●	○	○	○	○	○	○
Ohio	○	○	○	◐	○	◐	●	○	●	○	○	●	●	○
Oklahoma	○	○	○	○	○	○	○	○	○	○	○	◐	○	○
Oregon	○	●	●	●	○	○	●	●	◐	○	○	●	○	●
Pennsylvania	○	○	○	○	○	◐	○	●	●	○	○	◐	●	○
Rhode Island	○	○	○	●	○	◐	○	○	●	○	○	◐	●	○
South Carolina	○	○	○	●	○	○	○	○	○	○	○	●	●	○
South Dakota	○	○	○	●	○	◐	◐	○	○	○	○	◐	○	○
Tennessee	○	◐	○	●	○	○	○	○	○	○	○	◐	●	○
Texas	○	○	○	○	○	◐	○	○	○	○	○	●	●	●
Utah	○	◐	○	○	○	◐	●	●	○	○	○	●	●	●
Vermont	●	NA	●	●	◐	◐	●	○	NA	NA	NA	●	●	○
Virginia	○	○	○	●	○	◐	◐	○	●	○	○	◐	●	○
Washington	○	●	●	●	●	◐	●	○	●	○	○	●	●	●
West Virginia	○	○	○	●	○	◐	○	○	○	○	○	◐	●	○
Wisconsin	○	◐	○	○	○	○	○	○	○	○	○	●	●	○
Wyoming	○	◐	○	○	○	◐	●	●	○	○	○	○	○	○