

Federal Agencies Require New Notice for Group Fixed-Indemnity Coverage and Defer Other Proposed Changes

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PRACTICES Employee Benefits and Executive Compensation

The DOL, HHS and Treasury Department (the “**Departments**”) recently issued final rules regarding short-term, limited-duration insurance and fixed-indemnity insurance. The final rules provide that, for plan years beginning on or after January 1, 2025, fixed-indemnity insurance in the group market must provide a notice explaining that it is not health insurance. The notice must feature the limitations of the coverage to ensure consumers are not mistakenly purchasing fixed-indemnity coverage as an alternative to more comprehensive coverage.

- The notice must be provided to participants in any marketing, enrollment or reenrollment materials at or prior to enrollment and re-enrollment.
- The notice must be in at least 14-point font.

The proposed rules contained a number of changes that would have significantly impacted the fixed-indemnity insurance coverages currently being offered by employers to their employees. However, the final rules did not include these changes, which the Departments intend to address in future rulemaking.

The final rules and model notice are available [here](#).