



**CALIFORNIA
DEPARTMENT OF INSURANCE**



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CONSUMERS: INDIVIDUAL HEALTH INSURANCE UNDERWRITING/AB 356

Individual health insurance is insurance you buy on your own, rather than having it provided by your employer. Please examine your options carefully before declining group coverage or continuation coverage, such as COBRA, that may be available to you. You should be aware that companies selling individual health insurance typically require a review of your medical history that could result in a higher premium or you could be denied coverage entirely.

If you are in the market for individual health insurance, most insurance companies have online tools to help you find out how much individual health insurance will cost. If you have a chronic illness or other health condition, it can be hard to buy individual health insurance. If you have applied for individual health insurance and been denied, the information below may help you determine why you may have been denied and if that denial was appropriate.

The following chart summarizes underwriting information that health insurance companies have filed with the Department of Insurance.

AB 356: Summary of Underwriting Information filed re conditions for which no insurance coverage will be offered, application will be denied, or higher premium may be charged or benefit may be limited

Condition	Insurance Company Action
Health problems for which you have not seen a doctor	Automatic decline for some companies
Health problems that a doctor can not explain	Automatic decline for some companies
Health problems for which you have not completed treatment	Automatic decline for some companies
AIDS	Automatic decline
Pregnancy, pregnancy of your spouse or significant other, planned surrogacy or adoption in process	Automatic decline
Cancer, under treatment	Automatic decline
Sleep Apnea	Automatic decline or higher premium will be charged

Severe mental disorders, such as major depression, bipolar disorder, schizophrenia or psychopathic personalities	Automatic decline
Heart disease	Automatic decline
Renal failure or Kidney Dialysis	Automatic decline
Diabetes with complications	Automatic decline
Cirrhosis	Automatic decline
Multiple Sclerosis	Automatic decline
Muscular Dystrophy	Automatic decline
Systemic Lupus Erythematosus	Automatic decline
History of transplant	Automatic decline
Lymphedema	Automatic decline or higher premium will be charged
Current infertility treatment	Automatic decline
Hepatitis	Automatic decline
Hemochromatosis	Automatic decline
Rheumatoid Arthritis	Automatic decline
Stroke, after 10 years with no reoccurring problems	Automatic decline or higher premium will be charged
Allergies, while testing is in process	Automatic decline or higher premium will be charged
Ear infections, controlled with medication	Higher premium may be charged
Lyme's disease, without symptoms after one year	Automatic decline or higher premium will be charged
Breast Implants (non-silicone)	Automatic decline or higher premium will be charged
Ringworm	Higher premium may be charged
Joint sprain or strain, recovered and no restrictions	Higher premium may be charged
Migraine headache, mild and infrequent with no emergency room visits	Higher premium may be charged
Mild depression	Automatic decline or higher premium may be charged
Obesity	Automatic decline or higher premium may be charged
STD (Sexually Transmitted Disease)	Automatic decline or higher premium may be charged

Underwriting

When you apply for individual health insurance, the health insurance company uses a process called underwriting to look at your age, sex, and health history to decide whether it will cover you and how much it will cost to provide you coverage.

Do all health insurance companies have the same underwriting guidelines for offering insurance?

No. Each insurance company has its own underwriting guidelines, which are usually not made public. However, insurance companies marketing and selling individual health insurance policies in California must file information with the Department of Insurance pertaining to their policies, procedures and underwriting guidelines for offering such insurance (Insurance Code Section 10113.95 which was added by Assembly Bill 356 in 2005). We have summarized the information that companies have filed in the questions and answers and chart below.

- Health conditions that would automatically not be approved;
- Health conditions that may not be approved;
- Height and weight standards;
- Health history, health care service utilization, and lifestyle or behavior that may cause the insurance company to deny insurance, limit the products they offer, or charge more for the coverage.

What health conditions will cause a health insurance company to automatically refuse or deny my application for insurance?

There are many medical conditions that may cause an insurance company to automatically deny or not approve your application. These may include the following:

- Health problems for which you have not seen a doctor;
- Health problems that a doctor cannot explain;
- Health problems for which you have not completed treatment.

An insurance company may also automatically deny your application for the health conditions below. There may be other health conditions that are not on this list.

- AIDS;
- Pregnancy, pregnancy of your spouse or significant other, planned surrogacy or adoption in process;
- Cancer, under treatment;
- Sleep Apnea;
- Severe mental disorders, such as major depression, bipolar disorder, schizophrenia or psychopathic personalities;
- Heart disease;
- Renal failure or Kidney Dialysis;
- Diabetes with complications;
- Cirrhosis;
- Multiple Sclerosis;
- Muscular Dystrophy;
- Systemic Lupus Erythematosus;
- History of transplant;
- Lymphedema;
- Current infertility treatment;
- Hepatitis;
- Hemochromatosis.

What will cause an insurance company to offer me insurance at a higher premium rate or limit the products or benefits I can get?

Insurance companies may offer you insurance at a higher premium and/or limit the products or benefits you can purchase if you had a health problem in the past but you have recovered or you have been without symptoms for some time. Insurance companies will also do this for minor health problems that you had in the past or may currently have. Insurance companies argue that these conditions pose a risk that it will cost more for your health claims than if you

were completely healthy. Each application and insurance company is different. An insurance company may charge a higher premium or limit the products offered for the health conditions below. There may be other health conditions and time frames that are not on this list.

Stroke, after 10 years with no reoccurring problems;
Allergies, while testing is in process;
Ear infections, controlled with medications;
Lyme's disease, without symptoms after one year;
Breast Implants (non-silicone);
Ringworm;
Joint sprain or strain, recovered and no restrictions;
Migraine headache, mild and infrequent with no emergency room visits;
Mild depression.

Will a health insurance company look at my height and weight when I apply for insurance?

Yes. Insurance companies usually look at your height and weight when they decide to offer insurance. They may offer you insurance at a higher premium rate or refuse to insure you if you are overweight or obese. Some insurance companies use a measurement called the Body Mass Index (BMI) to decide. If your BMI is above 39, most insurance companies will not offer you insurance. If your BMI is 30-39, an insurance company may offer you insurance at a higher premium. If you have health problems because of your weight, such as diabetes or heart disease, an insurance company may refuse to insure you, even if your BMI is under 30.

Can a health insurance company look at my smoking and drinking history when I apply for insurance?

Yes. Insurance companies may look at smoking and drinking history when they decide whether to offer insurance.