



**Maryland**  
INSURANCE ADMINISTRATION

# UNDERSTANDING HEALTH INSURANCE COVERAGE

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## SHORT-TERM, LIMITED DURATION INSURANCE (STDI)

### What are Short-Term, Limited Duration Insurance (STDI) plans?

STDI policies are Major Medical Health Insurance coverage, but they only last for a short time. STDI policies in Maryland end after three months and cannot be renewed. The policies are designed to fill short gaps in coverage when an individual is switching from one health insurance plan to another (example: you retired just a couple months before you qualified for Medicare, or you took a short break between an old and new job).

### Are STDI policies required to comply with federal Affordable Care Act (ACA) requirements that Major Medical plans must follow?

These policies are NOT required to comply with federal ACA requirements, though they must cover certain benefits required under Maryland state law. Because these policies do not have to comply with the ACA, the insurance company may ask health questions in your application, and the plan may contain pre-existing condition limitations. A pre-existing condition limitation means the policy may not cover medical expenses due to a medical condition you had before the STDI policy started. The policies may also include a dollar limit on your healthcare benefits.



## Short-Term, Limited Duration Insurance (STDI) Pros & Cons

PROS	CONS
<ul style="list-style-type: none"> <li>• Major Medical insurance</li> <li>• Must cover certain benefits required under Maryland state law</li> <li>• Lower premiums than other Major Medical plans, as a direct result of offering less coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Not required to meet Affordable Care Act (ACA) requirements under federal law</li> <li>• Not required to cover outpatient prescription drugs or maternity care</li> <li>• Requirement to answer health-related questions on application (underwriting), may be denied or have coverage limited based on the answers to those questions</li> <li>• After three months, coverage ends and cannot be renewed or continued</li> <li>• Due to the STDI three-month limit, if your gap in coverage lasts more than three months you could lose health insurance options available to you earlier, such as COBRA.</li> <li>• May not include coverage for your pre-existing conditions</li> <li>• May include a dollar limit on your healthcare benefits</li> </ul>



The [National Association of Insurance Commissioners \(NAIC\)](#) and the Maryland Insurance Administration (MIA) are greatly concerned about misleading marketing by non-licensed entities that sell the products described in this document.

If you are looking for MAJOR MEDICAL HEALTH INSURANCE, please contact the Maryland Health Connection or one of the health insurance carriers directly. You can find the most up-to-date contact information for these entities by following this link:

<https://insurance.maryland.gov/Consumer/Documents/publications/MD-ACA-Compliant-Individual-and-Family-Health-Insurance-Plans.pdf>

If you receive an unsolicited call regarding health insurance plans, consider ending the phone call immediately. If you must engage with the caller: get a name, phone number to call them back and **contact the Maryland Insurance Administration immediately** at 800-492-6116 to confirm that that caller has a license to sell health insurance in Maryland.

Before you contact an agent or broker selling STDI or Excepted Benefit policies, contact the Maryland Insurance Administration at 800-492-6116 to confirm the agent or broker is licensed to sell health insurance in Maryland.

**Under no circumstances should you skip this step in your search for an STDI or Excepted Benefit product in Maryland.** This one step can save you from hundreds or thousands of dollars by avoiding potential fraud, and save you time spent dealing with the consequences of interacting with a scammer.