

[Draft Guidance 2470, Concerning Review of Complaints Concerning Health Insurance Policy Rescission or Cancellation, Released by California Department of Insurance](#)

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On May 26, 2011, the [California Department of Insurance](#) (“CDI”) released a second draft of its [Guidance 2470](#), which is designed to implement various provisions of [AB 2470](#). AB 2470, enacted in 2010, legislated certain aspects of rescission, non-renewal, and cancellation of health insurance policies and health care service plans in California.

The CDI’s draft Guidance 2470 purports to set forth requirements concerning the CDI’s review of complaints related to the cancellation, rescission, or non-renewal of a health insurance policy.

The draft Guidance includes, among other items, provisions concerning the notice health insurers are required to provide to policyholders about the CDI’s review process and information concerning the mechanisms for the review process.

The draft Guidance also purports to enumerate the factual showing required of health insurers in order to demonstrate that a cancellation or rescission is lawful.

Finally, the draft Guidance requires health insurers to continue to provide coverage to the policyholder until such time as the CDI makes a decision on the lawfulness of a cancellation, rescission, or non-renewal following the CDI’s receipt of a valid complaint from the policyholder.

As the public comment period on draft Guidance 2470 closed on June 6, 2011, it is anticipated that the CDI will issue its final version of Guidance 2470 in the near future.