



COMMISSIONER OF SECURITIES AND INSURANCE

James Brown
Commissioner

Office of the
Montana State Auditor

September 18, 2025

To: All Health and Fixed Indemnity and Excepted Benefits Insurers

RE: Rescinding Advisory Memorandum Regarding New Federal Rules Governing Hospital Indemnity and Other Independent, Non-coordinated, Fixed Indemnity Coverage (issued 08/02/2024)

To Whom It May Concern:

The advisory memorandum issued by the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), on August 2, 2024, titled, "Advisory Memorandum Regarding New Federal Rules Governing Hospital Indemnity and Other Independent, Non-coordinated, Fixed Indemnity Coverage" is hereby rescinded.

The advisory memorandum was necessitated by March 2024 final federal rules modifying the federal notice requirements for fixed indemnity insurance. However, those federal rules were invalidated by the federal district court in *ManhattanLife Insurance and Annuity Co. v. U.S. Department of Health and Human Services* (HHS), 2024 U.S. Dist. LEXIS 226832 (E.D. Tex. Dec. 4, 2024). HHS and the Departments of Labor and Treasury appealed to the Fifth Circuit Court of Appeals. However, at the request of the federal government, the appeal was dismissed on June 10, 2025. Consequently, the federal district court's decision stands. Thus, the federal notice requirement that was the subject of CSI's advisory memorandum is no longer valid or enforceable.

Sincerely,



James Brown
Commissioner of Securities and Insurance
Montana State Auditor

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