

Small Employer Group Market, 2014

	Fully-insured	Self-insured + Stop Loss Coverage
Essential Health Benefits	Yes	No
Community Rating	Yes	No
Guaranteed Issue	Yes	No
Medical Loss Ratio	Yes	No
Rate Review	Yes	No
Risk Adjustment	Yes	No
Reinsurance	Yes	No (except funding)
Risk Corridors	Yes	No
Nondiscrimination Rules	Yes	No (if not tax qualified)
Annual Fee	Yes	No
Waiting Periods	No	Yes

Source: Office of Legislative Research and General Counsel, 11/1/12. Based on "Self-insurance and Stop Loss for Small Employers," Deborah Chollet, Mathematica Policy Research, at http://www.naic.org/documents/committees_b_erisa_120626_chollet_self_insurance.pdf, 11/1/12, and other documents presented to the National Association of Insurance Commissioners ERISA (B) Working group, available at http://www.naic.org/committees_b_erisa.htm. Comparison not comprehensive.

Regulation Of Stop Loss Insurance

NAIC Stop Loss Insurance Model Act (1995, revised in 1999)

- Individual and aggregate attachment point requirements
- Adopted in 3 states (MN, NH, VT)
- As many as 18 other states regulate stop loss in some way that reflects aspects of the NAIC Model Act
- Use of stop loss arrangements (2010):
 - 2010:
 - Employers 3–50 employees: 8%
 - Employers 51–100 employees: 20%
 - 2014 and after:
 - As many as one-third of employers with up to 100 employees may self-insure, but depends on availability of stop loss (RAND)

NAIC model under review in 2012

- Debate over where to set attachment point(s) and the effects on employer behavior