

Part 3 Stop-Loss Insurance

31A-43-301 Stop-loss insurance coverage standards.

- (1) A small employer stop-loss insurance contract shall:
 - (a) be issued to the small employer to provide insurance to the group health benefit plan, not the employees of the small employer;
 - (b) have a contract term with guaranteed rates for at least 12 months, without adjustment, unless there is a change in the benefits provided under the small employer's health plan during the contract period;
 - (c) include both a specific attachment point and an aggregate attachment point in a contract;
 - (d) align stop-loss plan benefit limitations and exclusions with a small employer's health plan benefit limitations and exclusions, including any annual or lifetime limits in the employer's health plan;
 - (e) have an annual specific attachment point that is at least \$10,000;
 - (f) have an annual aggregate attachment point that may not be less than 85% of expected claims;
 - (g) pay stop-loss claims:
 - (i) incurred during the contract period; and
 - (ii) paid within 12 months after the expiration date of the contract; and
 - (h) include provisions to cover incurred and unpaid stop-loss claims when the small employer's stop-loss plan terminates.
- (2) A small employer stop-loss contract shall not:
 - (a) include lasering; and
 - (b) pay claims directly to an individual employee, member, or participant.

Amended by Chapter 244, 2015 General Session

31A-43-302 Stop-loss restrictions -- Filing requirements.

- (1) A stop-loss insurer shall file the stop-loss insurance contract form and rate methodology with the commissioner pursuant to Sections 31A-2-201 and 31A-2-201.1 before the stop-loss insurance contract may be issued or delivered in the state.
- (2) A stop-loss insurer shall file with the commissioner, annually on or before April 1, in a form and manner required by the commissioner by administrative rule adopted by the commissioner:
 - (a) an actuarial memorandum and certification which demonstrates that the insurer is in compliance with this chapter; and
 - (b) the stop-loss insurer's stop-loss experience.
- (3) An insurer shall maintain at its principal place of business:
 - (a) a complete and detailed description of its rating practices and renewal underwriting practices, including information and documentation that demonstrate the rating methods and practices are:
 - (i) based upon commonly accepted actuarial assumptions; and
 - (ii) in accordance with sound actuarial principles; and
 - (b) a copy of the annual filing required by Subsection (2).

Amended by Chapter 290, 2014 General Session

Amended by Chapter 300, 2014 General Session

31A-43-303 Stop-loss insurance disclosure.

A stop-loss insurance contract delivered, issued for delivery, or entered into shall include the disclosure exhibit required by the commissioner through administrative rule, which shall include at least the following information:

- (1) the complete costs for the stop-loss contract;
- (2) the date on which the insurance takes effect and terminates, including renewability provisions;
- (3) the aggregate attachment point and the specific attachment point;
- (4) limitations on coverage;
- (5) an explanation of monthly accommodation and disclosure about any monthly accommodation features included in the stop-loss contract;
- (6) a description of terminal liability funding, including the cost of processing claims before and after the termination of the contract; and
- (7) maximum claims liability to the employer.

Amended by Chapter 290, 2014 General Session

Amended by Chapter 300, 2014 General Session

31A-43-304 Administrative rules.

The commissioner may adopt administrative rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to:

- (1) implement this chapter;
- (2) define lasering practices that are prohibited by this chapter;
- (3) establish the form and manner of the actuarial certification and the annual report on stop-loss experience required by Section 31A-43-302;
- (4) establish the form and manner of the disclosure required by Section 31A-43-303;
- (5) assure the rates associated with the specific attachment points and aggregate attachment points are actuarially sound and are not against the public interest; and
- (6) assure that stop-loss contracts include provisions to cover incurred and unpaid claims if a small employer plan terminates.

Amended by Chapter 290, 2014 General Session

Amended by Chapter 300, 2014 General Session