

Part 1 General Provisions

31A-43-101 Title.

This chapter is known as the "Small Employer Stop-Loss Insurance Act."

Enacted by Chapter 341, 2013 General Session

31A-43-102 Definitions.

For purposes of this chapter:

- (1) "Actuarial certification" means a written statement by a member of the American Academy of Actuaries, or by another individual acceptable to the commissioner, that an insurer is in compliance with this chapter, based upon the individual's examination and including a review of the appropriate records and the actuarial assumptions and methods used by the stop-loss insurer in establishing attachment points and other applicable determinations in conjunction with the provision of stop-loss insurance coverage.
- (2) "Aggregate attachment point" means the dollar amount of covered claims incurred by a small employer plan beyond which the stop-loss insurer incurs liability for losses incurred by the small employer plan, subject to limitations included in the contract.
- (3) "Coverage" means the combination of the employer plan design and the stop-loss contract design.
- (4) "Expected claims" means the amount of claims that, in the absence of aggregate stop-loss insurance, are projected to be incurred by a small employer health plan using reasonable and accepted actuarial principles.
- (5) "Lasering":
 - (a) means increasing or removing stop-loss coverage for a specific individual within an employer group; and
 - (b) includes other practices that are prohibited by the commissioner by administrative rule that result in lowering the stop-loss premium for the employer by transferring the risk for an individual's claims back to the employer.
- (6) "Small employer" means an employer who, with respect to a calendar year and to a plan year:
 - (a) employed an average of at least two employees but not more than 50 eligible employees on each business day during the preceding calendar year; and
 - (b) employs at least two employees on the first day of the plan year.
- (7) "Specific attachment point" means the dollar amount of covered claims attributable to a single individual covered by a small employer plan in a contract year beyond which the stop-loss insurer assumes the liability for losses incurred by the small employer plan, subject to limitations included in the contract.
- (8) "Stop-loss insurance" means insurance purchased by a small employer for which the stop-loss insurer assumes all loss amounts of the small employer's plan in excess of a stated amount, subject to the policy limit.

Amended by Chapter 290, 2014 General Session

Amended by Chapter 300, 2014 General Session