

## Article - Insurance

[Previous][Next]

§15–129.

(a) (1) In this section the following words have the meanings indicated.

(2) “Aggregate attachment point” means the percentage of expected claims in a policy year above which the medical stop–loss insurer assumes all or part of the liability for losses incurred by the insured.

(3) “Carrier” means:

(i) an insurer; or

(ii) a nonprofit health service plan.

(4) “Expected claims” means the amount of claims that, in the absence of medical stop–loss insurance, are projected to be incurred by the insured using reasonable and accepted actuarial principles.

(5) “Medical stop–loss insurance” means insurance, other than reinsurance, that is purchased by a person, other than a carrier or a health care provider, to protect the person against catastrophic, excess, or unexpected losses incurred by that person’s obligations to third parties under the terms of a health benefit plan.

(6) “Medical stop–loss insurer” means a carrier that is authorized to sell, issue, and deliver policies of medical stop–loss insurance in the State.

(7) “Specific attachment point” means the dollar amount in losses attributable to a single individual in a policy year beyond which the medical stop–loss insurer assumes all or part of the liability for losses incurred by the insured.

(b) This section applies to each medical stop–loss insurer and each medical stop–loss insurance policy or contract that is delivered or issued for delivery in the State.

(c) Medical stop–loss insurance may only be sold, issued, or delivered in the State by a carrier that holds a certificate of authority issued by the Commissioner that authorizes the carrier to engage in the business of health insurance or to act as a nonprofit health service plan.

(d) A medical stop–loss insurer may not issue, deliver, or offer a policy or contract of medical stop–loss insurance, if the policy has:

(1) a specific attachment point of less than \$10,000; or

(2) an aggregate attachment point of less than 115% of expected claims.

(e) A medical stop-loss insurer who offers or issues a medical stop-loss insurance policy that does not meet the requirements of this section shall be subject to the sanctions set forth in § 4-113 of this article for authorized insurers and § 4-212 of this article for unauthorized insurers.

(f) Nothing in this section shall be construed as:

(1) imposing any requirement or duty on any person other than a carrier;

or

(2) treating any medical stop-loss insurance policy as a policy of individual, group, or blanket health insurance covering the participants in the underlying health benefit plan.

[Previous][Next]