

Article - Insurance

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§15–129. IN EFFECT

(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) “Small employer” has the meaning stated in § 31–101 of this article.

(8) “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) Subject to subsection (d)(2) of this section, 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) (1) Except as provided in paragraph (2) of this subsection, a medical stop–loss insurer may not issue, renew, deliver, or offer a policy or contract of medical stop–loss insurance, if the policy or contract has:

(i) a specific attachment point of less than \$22,500; or
(ii) an aggregate attachment point of less than 120% of expected claims.

(2) This subsection does not apply to:

(i) a policy or contract of medical stop-loss insurance issued or delivered before June 1, 2015, if the policy or contract maintains:

1. a specific attachment point of no less than \$10,000; and
2. an aggregate attachment point of no less than 115% of expected claims;

(ii) a renewal of a policy or contract described in item (i) of this paragraph; or

(iii) a policy or contract of medical stop-loss insurance issued or delivered on or after June 1, 2015, if the policy or contract:

1. is issued or delivered to an employer that on May 31, 2015, held a policy or contract of medical stop-loss insurance with:

A. a specific attachment point of not less than \$10,000; and
B. an aggregate attachment point of not less than 115% of expected claims; and

2. maintains:

A. a specific attachment point of not less than \$10,000; and
B. an aggregate attachment point of not less than 115% of expected claims.

(e) For a stop-loss insurance policy or contract issued to a small employer, a medical stop-loss insurer may not:

(1) (i) impose higher cost sharing for a specific individual within a small employer's health benefit plan than is required for other individuals within the small employer's health benefit plan; or

(ii) decrease or remove stop-loss coverage for a specific individual within a small employer's health benefit plan; or

(2) exclude any employee or dependent from a policy or contract on the basis of an actual or expected health status-related factor or condition, including:

(i) physical or behavioral health, including mental illness or substance use disorder;

(ii) claims experience;

(iii) medical history;

(iv) receipt of health care;

(v) genetic information;

(vi) disability;

(vii) evidence of insurability, including conditions arising out of acts of domestic violence against an employee or dependent; or

(viii) any other health status–related factor as determined by the Commissioner.

(f) For a stop–loss insurance policy or contract issued to a small employer, a medical stop–loss insurer shall:

(1) guarantee rates for at least 12 months, without adjustment, unless there is a change in:

(i) the benefits provided under the small employer’s health benefit plan during the policy or contract period;

(ii) the ownership and control of the small employer; or

(iii) the number of covered lives by a significant percentage resulting from an event such as an acquisition or a divestiture;

(2) pay stop–loss claims incurred during the policy or contract period and submitted within 12 months after the expiration date of the policy or contract; and

(3) disclose to the small employer, in a form and manner approved by the Commissioner and before entering into a policy or contract for medical stop–loss insurance:

(i) the total costs of the policy or contract;

(ii) 1. the dates on which the policy or contract takes effect and terminates; and

2. provisions for renewing the policy or contract;

(iii) the aggregate attachment point and the specific attachment point for the policy or contract; and

(iv) any limitations on coverage.

(g) A medical stop-loss insurer who offers or issues a medical stop-loss insurance policy or contract 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.

(h) 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.

15-129. // EFFECTIVE JUNE 30, 2018 PER CHAPTER 494 OF 2015 //

(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.

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