

NORTH CAROLINA DEPARTMENT OF INSURANCE – LIFE & HEALTH DIVISION

MARKETING STOP LOSS INSURANCE TO SMALL EMPLOYERS IN NORTH CAROLINA - G.S. 58-50-130(a)(5)

In order to market a stop loss product to small employers (employers with 25 or less employees) in North Carolina the following standards must be met:

1. Chapter 58, Article 50, Part 5, entitled “Small Employer Group Health Insurance Reform,”
2. NCGS 58-68-40 entitled, “Guaranteed availability of coverage for employers in the small group market,”
3. NCGS 58-68-45 entitled, “Guaranteed renewability of coverage for employer in the group market.”
4. Pursuant to NCGS 58-50-130(a)(5) and NCGS 58-68-35, the carrier must provide whole group coverage; there can be no individual underwriting.
5. Pursuant to NCGS 58-50-130(a)(5) and NCGS 58-50-130(b), the carrier must utilize the ACR rating system described in NCGS 58-50-130(b) for all small employer group health plans subject to the act, including stop loss coverage.

An insurance company must describe the mechanism(s) the it has in place to assure compliance with NCGS 58-50-130(b)(1) and NCGS 58-50-130(b)(3), must secure the Department’s prior approval of all premium rate schedules pursuant to NCGS 58-50-131, and submit an actuarial certification compliant with T11 NCAC 16.0801.