

NAC 689B.350 General provisions. (NRS 679B.130)

1. A policy for stop-loss insurance must:

- (a) *Not be issued to an employer with fewer than 25 employees;*
- (c) *Not provide direct coverage of health care expenses of an individual;*
- (b) *Have an annual attachment point for claims incurred per individual that is at least \$20,000; and*
- (c) *Have an annual aggregate attachment point;*
 - (1) *For small employer groups that is at least the greater of:*
 - a. *One hundred and twenty percent of expected claims; or*
 - b. *Twenty thousand dollars*
 - (2) *For all other groups that is at least 110 percent of expected claims.*

~~[An insurer shall not issue a policy for stop-loss insurance for a group health plan subject to the provisions of this chapter and chapter 689B of NRS if the policy for stop-loss insurance:~~

- ~~— (a) Has an annual attachment point for claims incurred per individual that is lower than \$10,000;~~
- ~~— (b) Has an annual aggregate attachment point for groups of not more than 50 persons that is lower than the greater of:~~
 - ~~— (1) The number of group members times \$4,000;~~
 - ~~— (2) One hundred and twenty percent of expected claims; or~~
 - ~~— (3) Ten thousand dollars;~~
- ~~— (c) Has an annual aggregate attachment point for groups of more than 50 persons that is lower than 110 percent of expected claims; or~~
- ~~— (d) Provides direct coverage of health care expenses of an individual.]~~

2. For the purposes of this section, an insurer shall determine the number of persons in a group on a consistent basis ~~at least~~ annually.

~~— 3. [If a policy for stop-loss insurance for a group health plan does not meet the criteria set forth in this section, the policy will be deemed to be a health benefit plan for the purposes of this chapter and chapter 689B of NRS.]~~

43. As used in this section:

(a) *“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 section, based upon the individual's examination and including a review of the appropriate records and the actuarial assumptions and methods used by the insurer in establishing attachment points and other applicable determinations in conjunction with the provision of stop-loss health insurance coverage.*

~~(a)~~(b) *“Attachment point” means the amount of claims incurred by an insured group beyond which an insurer incurs a liability for payment.*

~~(b)~~(c) *“Expected claims” means the amount of claims that, in the absence of a policy for stop-loss ~~[policy]~~ or other insurance, are projected to be incurred by an insured group through its health plan.*

~~(c)~~(d) *“A policy for stop-loss insurance” means insurance purchased by an employer to limit exposure to claim expenses under a health ~~[benefit]~~ plan provided by the employer.*

(e) *“Lasing” means:*

- (1) Assigning a different attachment point for an individual based on his expected claims or a given diagnosis;
- (2) Assigning a deductible to an individual that must be met before stop loss coverage applies;
- (3) Denying stop loss coverage to an individual who would otherwise be covered by the health plan; or
- (4) Applying an actively at work exclusion to stop loss coverage.

4. A policy for stop-loss insurance for a group health plan issued to a small employer shall include the following provisions:

- (a) a contract term with guaranteed rates for at least 12 months, without adjustment, unless there is a change in the benefits provided under the employer's health plan during the contract period;
- (b) Both a specific attachment point and an aggregate attachment point in a contract;
- (c) plan benefit limitations and exclusions that align with the employer's health plan benefit limitations and exclusions, including any annual or lifetime limits in the employer's health plan;
- (d) A requirement that amounts payable under the stop-loss policy will be paid if the claims payable under the health benefits plan are:
 - (1) incurred during the contract period; and
 - (2) paid within 12 months after the expiration date of the contract;
- (e) Coverage of incurred and unpaid stop-loss claims when the small employer's stop-loss plan terminates.

5. The insurer shall submit annually on or before April 1:

- (a) Nevada stop-loss experience by small employer for the previous calendar year and shall include:
 - (1) Employer size including both covered lives count and employee count as of the beginning of the contract;
 - (2) Covered lives exposure years and employee exposure years for the experience time period;
 - (3) Specific attachment point;
 - (4) expected claims in the absence of stop loss insurance;
 - (5) Expected claims under the specific attachment point;
 - (6) Aggregate attachment point;
 - (7) Earned premium; and
 - (8) Claims paid by the stop loss insurance broken out by specific losses and aggregate losses.
- (b) Actuarial Certification of compliance with requirements of this section; and
- (c) An actuarial memorandum describing the review done in preparation of the certification.

6. A stop-loss contract issued to a small employer shall not include provisions that:

- (a) Allow lasering; or
- (b) Allow claims to be paid directly to an individual employee, member, or participant.

7. A stop-loss insurance policy delivered, issued for delivery, or entered into with a small employer, shall include at least the following information:

- (a) The total premium or other consideration for the stop-loss policy;*
- (b) The date on which the insurance takes effect and terminates, including renewability provisions;*
- (c) The aggregate attachment point and the specific attachment point;*
- (d) Limitations on coverage;*
- (e) An explanation of monthly accommodation and disclosure about any monthly accommodation features included in the stop-loss contract;*
- (f) A description of terminal liability funding, including the cost of processing claims before and after the termination of the contract; and*
- (g) Maximum claims liability to the employer.*

8. The information required under subsection 7 shall be provided in a format prescribed by the Commissioner or in a substantially similar format approved by the Commissioner.

9. As used in this section, “small employer” has the meaning ascribed to it in NRS 689C.095.

Repeal NAC 689C.250