Jim Poolman
Commissioner of Insurance

DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA

Bulletin 2001-4

To: All small-employer health insurance carriers writing business in North Dakota

From: Jim Poolman, Insurance Commissioner

Date: June 1, 2001

Subject: Bulletin 2001-4 — Small-employer waiting periods

SCOPE AND APPLICABILITY

This bulletin applies to all small-employer carriers writing business in North Dakota. Its purpose is to establish a deadline for the discontinuation of small-employer elimination or waiting periods in excess of 90 days. This bulletin supersedes **Section II. Implementation Issues: Employer waiting periods,** contained in Bulletin 95-2.

DISCONTINUATION OF SMALL-EMPLOYER WAITING PERIODS

Last year the North Dakota Insurance Department changed N.D. Admin. Rule § 45-06-06.1-06(3)(b) regarding the small employer elimination or waiting period for new entrants. As of August 1, 2000 the 60-day waiting period was increased to 90. Employers with a health insurance plan in existence prior to August 1, 1994 were exempted from the 60-day period under Bulletin 95-2, issued June 7, 1995. The revised Rule of August 1, 2000, however, did not clarify what was expected of plans that were previously grandfathered under Bulletin 95-2.

In the interest of equitable treatment under the law for all small employers, and to establish a single standard of enforcement, the grandfather clause will be phased out.

COMPLIANCE DEADLINE

A small-employer carrier must provide formal notice to non-compliant, formerly exempt small-employer plans that the waiting period for new entrants must comply with the 90-day limit pursuant to N.D. Admin. Rule § 45-06-06.1-06(3)(b). Small-employer plans must be revised to comply no later than August 1, 2002.

Thank you for your prompt attention to this matter. If you require additional information or clarification of any part of this bulletin, please feel free to contact Vance Magnuson by phone at 701.328.2440, or by e-mail at vmagnuso@state.nd.us.

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