Glenn Pomeroy
Commissioner of Insurance

DEPARTMENT OF INSURANCE

STATE OF NORTH DAKOTA

BULLETIN 94-2

TO: All Current and Potential Small Employer Carriers Licensed to Write Health Insurance in North Dakota

FROM: Glenn Pomeroy, Commissioner

DATE: February 28, 1994

SUBJECT: Small Employer Basic and Standard Plans
Small Employer Reinsurance Program
Small Employer Administrative Rules

This bulletin provides information relating to the North Dakota small employer/employee health insurance law (N.D.C.C. Chapter 26.1-36.3).

1. APPROVAL OF SMALL EMPLOYER BASIC AND STANDARD PLANS

I have approved the benefit levels, cost-sharing levels, exclusions, and limitations for the basic and standard health plans which have been submitted by the North Dakota Small Employer Health Benefits Plan Committee. Small employer carriers will be required to begin offering the basic and standard health plans within 180 days from today in accordance with N.D.C.C. § 26.1-36.3-06(1)(d). The committee report on the minimum requirements for the basic and standard plans is enclosed. Companies may submit plans for approval beginning June 1, 1994. Policies submitted prior to that date will not be reviewed prior to June 1, 1994.

A number of companies raised a concern that the law was unclear whether it applied to groups of one and two. The Attorney General's office has orally concurred in reading the law to apply to small employers with at least three but not more than 25 eligible employees.

2. SMALL EMPLOYER REINSURANCE PROGRAM

I have approved the Plan of Operation for the North Dakota Small Employer Reinsurance Program submitted by the North Dakota Small Employer Reinsurance Board. The program is expected to be operational by July 1, 1994. The board has selected the actuarial firm of Milliman and Robertson to work on the Reinsurance premium calculations which should be available after April 15, 1994. The board is drafting a request for proposals to select an administrator for the program. The board expects to pick an administrator by May 1, 1994. Once the administrator is chosen, an interim assessment of $1,000 per company will be charged to pay for the start-up costs of the program. The interim assessment will be taken into account for the year-end assessment which is based on market share.

3. SMALL EMPLOYER ADMINISTRATIVE RULES

The administrative rules for implementing the small employer health insurance law have been drafted. These rules are based on the NAIC Small Employer Model Regulation. The hearing on these rules will be on Thursday, April 21, 1994, in Bismarck. A Notice of Hearing is enclosed.

GP/njb