Glenn Pomeroy
Commissioner of Insurance

DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA

BULLETIN 94-3

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

FROM: Glenn Pomeroy, Commissioner

DATE: June 23, 1994

SUBJECT: Small Employer/Employee Health Insurance Law and Regulation Update

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The purpose of this bulletin is to provide small employer carriers information and dates on implementation of the small employer health insurance law and regulation. The small employer regulations have been approved by the Attorney General and will be effective August 1, 1994.

I. APPROVAL OF BASIC AND STANDARD PLANS PRIOR TO MARKETING SMALL EMPLOYER COVERAGE

A small employer carrier is required to actively offer the basic and standard plans on or before September 1, 1994. A small employer carrier which does not have its basic and standard plans approved by September 1, 1994, shall cease and desist marketing to the small employer market until its basic and standard plans have been approved. (N.D.C.C. § 26.1-36.3-06)

II. PREVIOUSLY DENIED OR TERMINATED COVERAGE

In the case of an eligible employee or dependent of an eligible employee who, any time prior to September 1, 1994, was excluded from coverage or denied coverage by a small employer carrier, the carrier shall provide written notice of the opportunity for the eligible employee or dependent of such eligible employee to enroll in the health benefit plan currently held by the small employer. Additionally, all carriers must also provide written notice offering comparable coverage to any small employer whose coverage was terminated or nonrenewed on or after January 1, 1994. The written notices of the opportunity to enroll or the

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offering of comparable coverage shall be provided by July 15, 1994. The opportunity to enroll for individuals and the offer of comparable coverage to a small employer shall begin September 1, 1994, and last at least three months. (N.D. Admin. Code §§ 45-06-06.1-06(4) and 45-06-06.1-13)

III. NORTH DAKOTA REINSURANCE BOARD

The North Dakota Reinsurance Board will become operational on September 1, 1994. Training will be provided in Bismarck in August or September by the administering carrier--IEC Benefit Administrators of Boise, Idaho. Training will cover eligibility, premiums, claims processing, and reimbursement procedures for the reinsurance program.

An interim assessment for the reinsurance program will be levied and payable on September 1, 1994. The five carriers writing the most small employer business will pay a pro-rated share of the $75,000 assessment. Each of the remaining companies will pay an equal share of the remaining balance due. This payment will be credited toward the end of the year assessment.

Two brochures providing information on the small employer availability are planned--one with information designed for small employers and one with information designed for agents/brokers. The Department plans to have these brochures available by August 1, 1994.

If you require further information, please contact Beth Allen or Bill Maxwell at the Department at (701) 224-2440.

GP/njb