

## Appendix 1: Regulatory Impact Summary Table\*

<b>Fiscal Costs</b>	FY 2019	FY 2020	FY 2021
State Government	\$0	\$0	\$0
Local Government	\$0	\$0	\$0
Small Businesses	\$21,000	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Person	\$0	\$0	\$0
<b>Total Fiscal Costs:</b>	<b>\$21,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Fiscal Benefits</b>			
State Government	\$0	\$0	\$0
Local Government	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
<b>Total Fiscal Benefits:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net Fiscal Benefits:	-\$21,000	\$0	\$0

\*This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts for State Government, Local Government, Small Businesses and Other Persons are described in the narrative. Inestimable impacts for Non-Small Businesses are described in Appendix 2.

## Appendix 2: Regulatory Impact to Non-Small Businesses

There are 7 large businesses in the small employer stop-loss market in Utah. We conservatively estimate that this rule change will result in a one-time implementation cost of \$3,000 per insurer, for a total impact of \$21,000 across small employer stop-loss market.

The head of the Insurance Department, Todd E. Kiser, has reviewed and approved this fiscal analysis.

\*\*"Non-small business" means a business employing 50 or more persons; "small business" means a business employing fewer than 50 persons.

### R590. Insurance Administration.

#### R590-268. Small Employer Stop-Loss Insurance.

##### R590-268-1. Authority.

This rule is promulgated pursuant to Section 31A-43-304 wherein the commissioner may make rules to implement Title 31A, Chapter 43.

##### R590-268-2. Scope.

This rule applies to all small employer stop-loss contracts issued or renewed on or after July 1, 2013.

##### R590-268-3. Purpose.

The purpose of this rule is to provide the content of the stop-loss insurance disclosure, prohibit lasering, and establish the form and manner of form and rate filings and of the annual actuarial

certification and report on stop-loss experience.

**R590-268-4. Definitions.**

For the purposes of this rule, the commissioner adopts the definitions of Sections 31A-1-301 and 31A-43-102.

**R590-268-5. Stop-Loss Insurance Disclosure.**

(1) Stop-loss insurers marketing to small employers shall use:  
(a) the Utah [Small Employer] Stop-[±]Loss Disclosure dated January 15, 2014, prior to the effective date of this rule; and  
(b) the Utah Stop-Loss Disclosure dated July 1, 2019, after the effective date of this rule.

(2) The stop-loss insurer may display the insurer's name, identifying logo, and address on the disclosure.

(3) ~~The [Utah Small Employer Stop-loss Disclosure, published January 15, 2014, is hereby incorporated by reference and is]~~disclosures are available on the Department's website at [https://insurance.utah.gov\[legal-resources/rules/current-rules.php\]](https://insurance.utah.gov[legal-resources/rules/current-rules.php]).

(4) The disclosure may be altered for reasons specifically approved by the commissioner.

**R590-268-6. Lasering.**

(1) Subsection 31A-43-301(2)(a) prohibits lasering. For the purpose of this rule lasering includes:

(a) assigning a different attachment point for an individual[±] based on ~~[their]~~the individual's expected claims or a given diagnosis;

(b) assigning a deductible to an individual that must be met before stop\_loss coverage applies;

(c) denying stop\_loss coverage to an individual who is otherwise covered by the small employer's medical plan; and

(d) applying an actively at work exclusion to stop\_loss coverage.

**R590-268-7. Form and Rate Filings.**

(1) A contract filing consists of one contract form~~[, the application]~~, any related documents, disclosure, rate manual, and actuarial memorandum.

(2) A new or revised rate manual shall:

(a) include a summary of how the rate is calculated;

(b) contain specific area factors applicable in Utah;

(c) be filed 30 days prior to use;

(d) be applied in the same manner for all small employer stop-loss contracts;

(e) describe how the overall rate is reviewed for compliance; and

(f) include an actuarial certification signed by a qualified actuary.

(3) All filings shall be submitted using SERFF.

**R590-268-8. Annual Actuarial Memorandum and Certification.**

(1) The insurer shall submit annually on or before April 1 using SERFF:

(a) stop-loss experience for the previous two years for Utah;  
(b) certification of compliance with requirements of section 31A-43-301; and

(c) an actuarial memorandum describing the review done in preparation of the certification.

(2) The insurer's stop-loss experience shall be presented by small employer and experience year and shall include:

(a) a group identifier that uniquely identifies the group and is consistent from year to year for the same employer group;

(b) the effective date of coverage for the policy year for the employer group;

(c) contract type (e.g. 12/24);

(d) employer size including both covered lives count and employee count as of the beginning of the contract;

([b]e) covered lives exposure years and employee exposure years for the experience time period;

([e]f) specific attachment point;

([d]g) expected claims in the absence of stop-loss insurance;

([e]h) expected claims under the specific attachment point;

([f]i) aggregate attachment point;

([g]j) earned premium; and

([h]k) claims paid by the stop-loss insurance broken out by specific losses and aggregate losses.

(3) (a) (i) The insurer's stop-loss experience shall be submitted in Excel format using the Utah Stop-Loss Experience Report dated July 1, 2019.

(ii) The Utah Stop-Loss Experience Report dated July 1, 2019, is available on the Department's website at <https://insurance.utah.gov>.

(b) Experience shall be aggregated over the entire contract incurral period, rather than aggregated by incurral month.

(c) The experience report shall only include those stop-loss contracts where the final claim incurral date is contained within the two calendar years previous to the submission date.

(d) Runout claims that are paid after the submission date shall be updated in the following year's experience submission.

#### **R590-268-9. Penalties.**

A person found to be in violation of this rule shall be subject to penalties as provided under Section 31A-2-308.

#### **R590-268-10. Severability.**

If any provision of this rule or its application to any person or situation is held to be invalid, that invalidity shall not affect any other provision or application of this rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.

**KEY: small employer stop-loss**

**Date of Enactment or Last Substantive Amendment: December 9, 2015  
Authorizing, and Implemented or Interpreted Law: 31A-43-304; Title 31A, Chapter 43**