

NOTICE OF
PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Office of Administrative Rules.

Corrections

Form Corrections Requested : 05/02/2019: Thank you for your submission. Boxes 7A, 7B, 7C, and 7D need a brief explanation of why there is no anticipated cost or savings to the state budget, local government, small businesses, or other persons (see Section R15-4-10). Thank you! Nancy Lancaster, 801-538-3218 0 **Due Date:** 05/03/2019

Agency Information

1. Agency: Insurance - Administration
 Room no.: 3110
 Building: STATE OFFICE BLDG
 Street address 1: 450 N MAIN ST
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84114-1201
 Mailing address 1: PO BOX 146901
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Steve Gooch	801-538-3803	801-538-3829	sgooch@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no:	43692	Date filed: 05/01/2019 10:13 PM
State Admin Rule Filing Key:	161162	
Utah Admin. Code ref. (R no.):	R 590 - 268 -	
Changed to Admin. Code ref. (R no.):	- -	

Title

2. Title of rule or section (catchline):
 Small Employer Stop-Loss Insurance

Notice Type

3. Type of notice: Amendment

Rule Purpose

4. Purpose of the rule or reason for the change:
 This rule is primarily being changed to standardize the method and content of the annual experience reporting to make the data easier to aggregate. The amendment also changes inconsistent language and eliminates

unnecessary language.

—Response Information—

5. This change is a response to comments by the Administrative Rules Review Committee.
No

Rule Summary

6. Summary of the rule or change:

These changes incorporate a standardized annual experience reporting template by reference, changes the content that is required as part of the annual experience reporting, removes references to the Standard Application that is no longer required, updates the instructions and publication date of the disclosure statement, and makes grammatical changes.

—Aggregate Cost Information—

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

There is no anticipated cost or savings to the state budget. While the rule change is intended to standardize the content in the annual experience reporting and make the data easier to aggregate, the decrease in time spent aggregating will be negligible.

B) Local government:

Affected: No

There is no anticipated cost or savings to local government. This rule change governs the relationship between the Insurance Department and the insurers that it licenses and will not affect local government.

C) Small businesses:

Affected: Yes

("small business" means a business employing fewer than 50 persons)

A negligible cost could result to small businesses if stop-loss insurers pass the cost of compliance on as part of the administrative expense portion of the stop-loss premium. The Department anticipates that this would be a negligible amount per employer, but cannot reasonably estimate the fiscal impact this may have per employer.

D) Persons other than small businesses, businesses, or local government entities:

Affected: Yes

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

Insurers offering small employer stop-loss coverage may have a small implementation cost to output the experience into the experience template format. The Insurance Department (Department) anticipates a conservative cost per insurer to be 40 hours for a single employee performing the implementation at \$75 per hour (or \$3,000 per insurer).

—Compliance Cost Information—

8. Compliance costs for affected persons:

The Insurance Department (Department) anticipates a conservative cost per insurer to be 40 hours for a single employee performing the implementation at \$75 per hour (or \$3,000 per insurer).

—Department Head Comments—

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

I. WHETHER A FISCAL IMPACT TO BUSINESS IS EXPECTED AS A RESULT OF THE PROPOSED RULE AND, IF SO, A DESCRIPTION OF WHY: A stop-loss insurer may pass the cost of implementation on to

small employers as part of the administration portion of their premium. The Department anticipates that this would be a negligible amount per employer, but cannot reasonably estimate the fiscal impact this may have per employer. II. AN ESTIMATE OF THE TOTAL NUMBER OF BUSINESS ESTABLISHMENTS IN UTAH EXPECTED TO BE IMPACTED: Based on the number of small employers engaged with stop-loss insurers in 2017, the Department estimates 185 small employers could be affected. III. AN ESTIMATE OF THE SMALL BUSINESS ESTABLISHMENTS IN UTAH EXPECTED TO BE IMPACTED: Based on the number of small employers engaged with stop-loss insurers in 2017, the Department estimates 185 small employers could be affected. IV. A DESCRIPTION OF THE SOURCES OF COST OR SAVINGS AS WELL AS THE EXPECTED NET SAVINGS OR COST TO BUSINESS ESTABLISHMENTS AND SMALL BUSINESS ESTABLISHMENTS AS A RESULT OF THE PROPOSED RULE OVER A ONE-YEAR PERIOD, IDENTIFYING ONE-TIME AND ONGOING COSTS: The cost would be one-time. The Department estimates conservatively \$3,000 per insurer, with 7 entities currently offering in the small employer stop-loss market and spread among 185 small employers. Or, approximately \$114 per small employer with stop-loss coverage. V. DEPARTMENT HEAD'S COMMENTS ON THE ANALYSIS: This analysis represents the Department's best estimate of the fiscal impact that this rule may have on businesses.

B) Name and title of department head commenting on the fiscal impacts:

Todd E. Kiser, Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :
Section 31A-43-304

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by reference (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):Utah Small Employer Stop-Loss Disclosure

Publisher:Utah Insurance Department

Date Issued:01/15/2014

Issue, or version:

ISBN Number:

ISSN Number:

Cost of Incorporated Reference:

Adds, updates, removes:Removes

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

06/14/2019

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

06/21/2019

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Office of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

- 14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
small employer stop-loss

File Information

- 15. Attach an RTF document containing the text of this rule change (filename):
There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:	Steve Gooch Information Specialist	Date (mm/dd/yyyy): 05/01/2019
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