

Stop-Loss Restrictions by State*

State	Citation	Employer Size	Specific Stop-Loss Restrictions	Aggregate Stop Loss Restrictions	Guaranteed Issue of Stop-Loss Policies	Other Notes
Alaska	§ 21.42.145	2-50 Employees	Prohibits specific deductible limits below \$10,000	Prohibits aggregate coverage attachment points of less than \$4,000 per person, or 120% of expected claims or \$20,000, whichever is greater	No	<ul style="list-style-type: none"> Prohibits direct payment to covered individuals
Arkansas	§ 23-62-111	All employers	Prohibits specific deductible limits below \$20,000	<ul style="list-style-type: none"> For employers with 50 or fewer covered employees, prohibits aggregate coverage attachment points of less than \$4,000 per member, 120% of expected claims or \$20,000, whichever is greater. For employers with more than 50 covered employees, prohibits aggregate coverage attachment points of lower than 110% of expected claims 	No	<ul style="list-style-type: none"> Requires stop-loss applications to disclose that purchase of stop-loss insurance does not relieve employer of all risks and that it does not make the stop-loss carrier a fiduciary. Prohibits direct payment to covered individuals
California	Ins. Code § 10752-10752.8	1-50 employees	Prohibits specific deductible limits below \$35,000 (goes to \$40,000 in 2016)	Prohibits aggregate coverage attachment points of less than \$5,000 per person, 120% of expected claims or \$35,000 (\$40,000 in 2016), whichever is greater	Yes	<ul style="list-style-type: none"> Guaranteed renewable Prohibits direct payment to covered individuals

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Colorado	<u>§ 10-16-119</u>	2-50 employees	Prohibits specific deductible limits below \$20,000	Prohibits aggregate coverage attachment points of less than \$20,000 per person, or 120% of expected claims, whichever is greater	No	<ul style="list-style-type: none"> • Mandates reporting requirements on stop-loss carriers • Mandates disclosures to employers on renewability, limitations on coverage and contract terms concerning claims incurred but not yet paid by end of contract term • Prohibits lasers
Connecticut	<u>Bulletin Numbers HC-95 and PC-75</u>	2-50 employees	Prohibits specific deductible limits below \$20,000	<ul style="list-style-type: none"> • For employers with 50 or fewer covered employees, prohibits aggregate coverage attachment points of less than \$4,000 per member, 120% of expected claims or \$20,000, whichever is greater. • For employers with more than 50 covered employees, prohibits aggregate coverage attachment points of lower than 110% of expected claims 	No	<ul style="list-style-type: none"> • Prohibits direct payment to covered individuals

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District of Columbia	<u>D.C. Official Code § 31-4712(c)(1)(C)(i)</u>	All employers	Stop-loss policy with specific deductible limit below \$40,000 will be considered a health insurance policy in Florida, and therefore subject to state regulation	Aggregate stop-loss policies below the following limits will result in the policy being considered health insurance: <ul style="list-style-type: none"> Employers with 100 or fewer covered employees, aggregate coverage attachment points of less than \$5,000 per person, or 120% of expected claims or \$40,000, whichever is greater. 		<ul style="list-style-type: none"> Prohibits sale of stop-loss insurance policy to small employers (as defined in ACA) Prohibits direct payment to covered individuals Prohibits excluding an employee or dependent from being covered under the stop-loss policy from an actual or anticipated health-related factors Requires guaranteed renewability
Delaware	<u>18, § 7218(e)</u>	1-15 employees	N/A	N/A	No	<ul style="list-style-type: none"> Prohibits sale of stop-loss insurance to employers with 15 or fewer employees

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Florida	<u>Florida Statutes Chapter 627 Section 66997</u>	All employers	Stop-loss policy with specific deductible limit below \$20,000 will be considered a health insurance policy in Florida, and therefore subject to state regulation	Aggregate stop-loss policies below the following limits will result in the policy being considered health insurance: <ul style="list-style-type: none"> • Employers with 50 or fewer covered employees, aggregate coverage attachment points of less than \$4,000 per person, or 120% of expected claims or \$20,000, whichever is greater. • For employers with more than 50 covered employees, aggregate coverage attachment points of lower than 110% of expected claims 	No	N/A
Georgia	<u>Rule 120-2-50-.05</u>	All MEWAs	N/A	N/A	No	<ul style="list-style-type: none"> • Multiple Employer Self-Insured Health Plans are required to find benefits up to the point at which the excess stop-loss insurer assumes 100 percent of the liability to pay benefits • The Commissioner will closely scrutinize the agreement to determine whether the levels of individual and aggregate risk retained by the plan.

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Kansas	Ins Reg 40-1-49	All employers	Prohibits specific deductible limits below \$10,000	Prohibits aggregate coverage attachment points of less than 120% of expected claims	No	<ul style="list-style-type: none"> Prohibits direct payment to covered individuals or providers Mandates minimum stop-loss contract term of 12/13 (covers claims incurred during plan year and paid during the plan year and 1 month after end of contract)
Kentucky	Advisory Opinion 2020-004	All employers	N/A	N/A	No	<ul style="list-style-type: none"> Advisory Opinion 2020-004 advised insurers that the DOI will consider a stop-loss policy that has an annual attachment point for claims incurred per individual that is lower than \$25,000 or has a minimum number of employees that is less than twenty-five to be a Health Benefit Plan.
Louisiana	§ 22:459.883	All employers	Prohibits specific deductible limits below \$10,000	Prohibits aggregate coverage attachment points of less than \$4,000 per person, or 110% of expected claims (120% for small employers)	No	<ul style="list-style-type: none"> Allows waiver or reduce aggregate cap limitation Mandates minimum stop-loss contract term of 12/15 (covers claims incurred during plan year and paid during the plan year and 3 months after end of contract)

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Maine	<u>BOI Stop-Loss Filing Requirements arising from state law on excess 24 AMRSA §§ 707, 2304, 2452</u>	All employers	Prohibits specific deductible limits below \$20,000	Prohibits aggregate coverage attachment points of less than 120% of expected claims	No	<ul style="list-style-type: none"> Requires 12/18 coverage to be offered to all stop-loss policies, and if coverage does not include “tail coverage”, employer must receive disclosure notices (approved by BOI) advising that the policy is issued without tail coverage and disclose any associated risk for declining coverage.
Maryland	<u>Ins. § 15-129</u>	All employers	Prohibits specific deductible limits below \$10,000	Prohibits aggregate coverage attachment points of less than 115% of expected claims	No	N/A
Minnesota	<u>60A.235, 236</u>	All employers	Prohibits specific deductible limits below \$20,000	Prohibits aggregate coverage attachment points of less than \$4,000 per person, or 110% of expected claims (120% for small employers) or \$20,000, whichever is greater	No	N/A

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Missouri	Bulletin 07-01	All employers	N/A	Reserves right to require actuarial analysis if stop-loss policies are issued to employers when: <ul style="list-style-type: none"> • max specific deductible less than \$20,000 and/or the minimum aggregate attachment point less than 120% of expected • group has 50 or fewer covered employees and attachment point is the greater of \$4,000 times the number of covered employees, 120% of expected claims, or \$20,000 	N/A	<ul style="list-style-type: none"> • Department may also require insurer issuing stop-loss policy to provide the following: <ul style="list-style-type: none"> • If the insurer intend to obtain reinsurance for this plan • A summary of the intended market and marketing plan • Maximum and minimum risk retention levels the company will accept per contract
Nevada	Group and Blanket Plans: 689B-350 Small Group: Chapter 689C.250	All employers	Prohibits specific deductible limits below \$10,000	<ul style="list-style-type: none"> • <u>Large Group: Prohibits aggregate coverage attachment points of less than \$4,000 per person, or 110% of expected claims (120% for small employers) or \$20,000, whichever is greater</u> • <u>Small Group: Prohibits aggregate coverage attachment points of less than \$4,000 per person or 120% or \$10,000</u> 	No	<ul style="list-style-type: none"> • Prohibits direct payment to covered individuals

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New Hampshire	415-H:3	All employers	Prohibits specific deductible limits below \$20,000	Prohibits aggregate coverage attachment points of less than \$4,000 per person, or 110% of expected claims (120% for small employers) or \$20,000, whichever is greater	No	<ul style="list-style-type: none"> Prohibits direct payment to covered individuals
New Jersey	17B § 27A-17	2-50 employees	Prohibits specific deductible limits below \$20,000	Prohibits aggregate coverage attachment points of less than 125% of expected claims, whichever is greater	No	N/A
New York	OGC Opinion 07-09-22	All employers	None	None	No	<ul style="list-style-type: none"> Cannot laser for a cancer diagnosis that is more than three years old (§ 2613) Prohibits sale of stop-loss insurance to small employers (§ 3231) Cannot issue policy to group plan that denies or limits benefits because of a specific disease or condition (§§ 3234, 4320) Prompt payment legislation applies to stop-loss insurers
North Carolina	§ 58-50-130(a)(5)	26-50 employees	Prohibits specific deductible limits below \$20,000	Prohibits aggregate coverage attachment points of less than \$20,000 per person, or 120% of expected claims, whichever is greater	No	<ul style="list-style-type: none"> Maintains state's prohibition on stop-loss insurance sales below 25 employees Prohibits direct payment to covered individuals

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North Dakota	ND Admin Code 45-06-14-13	All MEWAs	N/A	N/A	No	<ul style="list-style-type: none"> • A MEWA may not retain liability on any one incident of more than 10% of its annual premium volume during the most recent fund year, plus twenty percent of its surplus
Oklahoma	Bulletin LH 2013-03	All employers	Prohibits specific deductible limits below \$10,000	Prohibits aggregate coverage attachment points of less than 120% of expected claims	No	<ul style="list-style-type: none"> • Policy must be issued to, and insure, the sponsor of the plan, or the plan itself, not the employees, members, or participants • Payment by the insurer must be made to the sponsor of the plan or the plan itself, not the employees, members, participants, or providers • Any stop loss insurance coverage must provide an aggregate retention of no less than 110% of expected claims (36 OK Statutes §36-7401).
Oregon	§ 742.065	All employers	Prohibits specific deductible limits below \$10,000	Prohibits aggregate coverage attachment points of less than 120% of expected claims	No	<ul style="list-style-type: none"> • Prohibits stop-loss insurer from issuing policy to small employer that covers “less than fully insured employee health benefit plan” • Prohibits direct payment to covered individuals or providers

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Pennsylvania	<u>27 PA. Code §§ 89.471-474</u>	All employers	Prohibits specific deductible limits below \$10,000	Prohibits aggregate coverage attachment points of less than \$100,000	No	<ul style="list-style-type: none"> · Bankruptcy of plan sponsor does not relieve stop-loss carrier from paying claims · Limited to covering a single employer group health plan · Prohibits pooling of risk and direct payment to covered individuals
Rhode Island	<u>§§ 27-8.2.1-5</u>	All employers	Prohibits specific deductible limits below \$20,000	Prohibits aggregate coverage attachment points of less than 120% of expected claims	No	<ul style="list-style-type: none"> · Prohibits direct payment to covered individuals
South Carolina	<u>SECTION 38-41-50; SECTION 38-33-130</u>	All MEWAs and HMOs	N/A	N/A	Yes	<ul style="list-style-type: none"> · Aggregate excess stop-loss coverage shall include provisions to cover incurred, unpaid claim liability in the event of plan termination. The excess or stop-loss insurer shall bear the risk of coverage for any member of the pool that becomes insolvent with outstanding contributions due
South Dakota	<u>§ 58-33-106</u>	N/A	N/A	N/A	N/A	<ul style="list-style-type: none"> · Statute specifically prohibits regulation of stop loss or excess insurance covering health claims of employees arising from self-funded employee health programs.

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Tennessee	DOI Bulletin 20-07	All employers	Prohibits specific deductible limits below \$10,000	Prohibits aggregate coverage attachment points of less than 120% of expected claims	No	<ul style="list-style-type: none"> • Mandates form approval and rate submission prior to sale of all stop-loss policies
Utah	§ 31A-43-101 et seq.	2-50 Employees	Prohibits specific deductible limits below \$10,000	Prohibits aggregate coverage attachment points of less than 85% of expected claims	Uncertain	<ul style="list-style-type: none"> • Mandates 12/24 contract term (pays claims incurred during plan year and paid during the plan year or 12 months after end of contract term) • Requires stop-loss insurers to cover incurred and unpaid claims if a small employer plan terminates • Prohibits lasers • Prohibits direct payment to covered individuals

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Vermont	Regulation H-2009-02 (Revised)	All employers	Prohibits specific deductible limits below \$33,299 or \$40,000 for small employers with 25 or fewer employees	<ul style="list-style-type: none"> Small employers with 25 or fewer employees must have an annual aggregate attachment point that is at least the greater of 120 percent of expected claims or \$40,000. Small employers with more than 25 employees must have an annual aggregate attachment point that is at least the greater of 120 percent of expected claims or \$33,200. Any group other than small employers must have an aggregate attachment point that is at least 110 percent of expected claims 	No	<ul style="list-style-type: none"> Mandates disclosures to employers on renewability, limitations on coverage and contract terms concerning claims incurred but not yet paid by end of contract term and if available, describes terminal liability and whether it is an option Requires state approval of rates for small group stop-loss policies
Washington	RCW W § 48.21.015	All employers	Prohibits specific deductible limits below 5% of expected claims or \$100,000, whichever is less	N/A	N/A	<ul style="list-style-type: none"> Prohibits direct payment to covered individuals

*The following states are not included on this chart as they do not have applicable stop-loss restrictions: Alabama, Arizona, Hawaii, Idaho, Illinois, Indiana, Iowa, Massachusetts, Michigan, Mississippi, Montana, Nebraska, New Mexico, Ohio, Texas, Virginia, West Virginia, Wisconsin, Wyoming