

CHAPTER 2765
DEPARTMENT OF COMMERCE
EMPLOYER JOINT SELF-INSURANCE

2765.1300 STOP-LOSS INSURANCE

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[For text of subpart 1, see M R]

Subp. 2 **Individual excess.** A plan must have and maintain individual excess stop-loss insurance, that provides for the insurer to assume all liability in excess of the per person limit per year under all coverages the plan offers. The reporting period under this coverage must be no less than one year after the fund year's conclusion. A plan must apply to the commissioner for a determination of the individual excess stop-loss insurance limit. The commissioner must approve the application if the limit would not be detrimental to the solvency and stability of the plan, considering the plan's experience, size, surplus, and other factors affecting financial integrity.

[For text of subp 3, see M R]

Subp. 5 **Surety coverage.** A plan must have and maintain the following language in its required aggregate excess stop-loss insurance policy, unless the commissioner determines that a policy with that language is not available in the market for stop-loss coverage, in which case, the commissioner may determine the requirements needed to obtain stop-loss coverage and meet solvency requirements: "The insurer shall, at the commissioner's request, assume direct responsibility for the plan's coverage and all other responsibilities under this chapter and related statutes, if the plan becomes insolvent, ceases operations without authorization, or otherwise fails to fulfill its responsibilities under this chapter and related statutes. The insurer may attempt to collect reimbursement from the plan or a member on whose behalf the insurer is called upon to pay premium, pay claims, or incur other extraordinary expenses. However, the insurer must fulfill its responsibilities under this section while any collection attempts are pending. The insurer's responsibilities extend to all matters arising during or attributable to the policy period, and do not terminate with the end of the policy period." The policy must not alter or qualify these terms to harm the plan's rights materially.

[For text of subp 6, see M R]

Statutory Authority: *MS s 45 023, 62H 06*

History: *L 2002 c 387 s 20,21*