60F.02 EXCESS STOP-LOSS COVERAGE.

A joint self-insurance plan must include aggregate excess stop-loss coverage and individual excess stop-loss coverage provided by an insurance company licensed by the state of Minnesota. Aggregate excess stop-loss coverage must include provisions to cover the excess claims of incurred, unpaid claim liability even in the event of plan termination. The joint plan must bear the risk of coverage for any member of the pool that becomes insolvent with outstanding contribution due by providing a surety bond from a Minnesota licensed surety in the amount of one year's contribution. In addition, the plan of self-insurance must have participants fund an amount at least equal to the point at which the excess or stop-loss insurer must assume 100 percent of the excess coverage limits of additional liability. A joint self-insurance plan must submit its proposed excess or stop-loss insurance contract to the commissioner of commerce at least 30 days prior to the proposed plan's effective date and at least 30 days subsequent to any renewal date. The commissioner shall review the contract to determine if it meets the standards established by this chapter and respond within a 30-day period. An excess or stop-loss insurance plan must be noncancelable for a minimum term of one year.

History: *1987 c 337 s 35*