



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Bulletin HC-46 (rev.)
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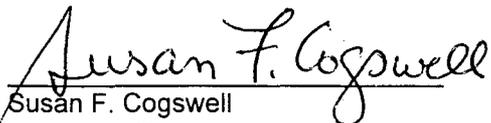
TO ALL INSURERS LICENSED TO WRITE ACCIDENT AND HEALTH INSURANCE AND HEALTH CARE CENTERS

RE: SMALL EMPLOYER HEALTH CARE PLANS – CARRIER REQUIREMENTS REGARDING ASSOCIATION/MET INSURANCE ARRANGEMENTS

The purpose of this revised bulletin is to update the discussion of carrier responsibilities under Connecticut's small employer law (Connecticut General Statutes §§38a-564 to 38a-574, inclusive.) Nothing in this Bulletin shall supercede the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA.)

1. It was the intent of the small employer law that *all* mechanisms through which Connecticut small employers buy health insurance be included (i.e. including direct sales, agent/broker networks, associations, METs, etc.)
2. Carriers may use Association/Met administrators as their licensed representatives in marketing their products. In such situations, the Association/MET administrator and agents shall be considered an extension of the company.
3. Carriers shall establish guidelines and procedures that assure that all their various distribution mechanisms comply with the law.
4. Carriers shall include Association/MET premiums for qualified small employers in the carrier's small employer premium base for purposes of determining assessments, etc.
5. Carriers need not guarantee issue or offer a statutory small employer plan through Associations/METs but they must guarantee issue such a plan directly to any small employer.
6. A small employer shall have the same rights to guaranteed renewal of coverage in accordance with law whether its coverage is provided under a contract issued to it by the carrier or through an Association/MET policy.
7. Carriers shall assure that all rates comply with CGS §38a-567. Carriers shall include Association/MET experience with all other small employer group experience in determining the carrier's community rate. Association/MET membership is *not* a "case characteristic" that can cause a rate to be developed using different standards than any other small employer group of similar demographics.
8. Only carriers may cede to the Reinsurance Pool. Carriers may cede Association/MET members on the same basis as other groups and individuals.
9. Carriers must assure that members ceded to the Reinsurance Pool meet the requirements for ceding.
10. A small employer's right under law to guaranteed renewability of coverage shall not be affected by the termination of a relationship between its carrier and an Association/MET group to which it belongs. The carrier shall meet its guaranteed renewability obligation by either arranging to continue

the previous coverage or by issuing policies providing the same or similar coverage directly to the small employers involved.


Susan F. Cogswell
Insurance Commissioner