

**APPROVED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**LCB File No. R186-22**

Filed December 29, 2022

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§ 1, 2, 4, 6 and 7, NRS 679B.130; § 3, NRS 679B.130, 689C.155 and 689C.940; § 5, NRS 679B.130 and 695B.280.

A REGULATION relating to stop-loss insurance; requiring certain policies for stop-loss insurance relating to group health plans to satisfy certain standards and include certain provisions and information; requiring an insurer that issues a policy for stop-loss insurance to annually provide certain information to the Commissioner of Insurance; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law authorizes the Commissioner of Insurance to adopt reasonable regulations for the administration of the Nevada Insurance Code. (NRS 679B.130)

Existing regulations prohibit an insurer from issuing a policy for stop-loss insurance for a group health plan if the policy for stop-loss insurance: (1) fails to meet certain standards for attachment points for individuals and groups; or (2) provides direct coverage of health care expenses of an individual. Existing regulations further provide that if a policy for stop-loss insurance for a group health plan fails to meet such standards or provides such direct coverage, the policy will be deemed to be a health benefit plan. (NAC 689B.350) **Section 1** of this regulation requires a policy for stop-loss insurance to: (1) not provide direct coverage of the health care expenses of an individual; and (2) have certain standard attachment points for individuals and groups. **Section 1** requires a policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer to: (1) include certain provisions and information; and (2) not include any provision which allows lasing or allows claims to be paid directly to certain individuals. **Section 1** requires an insurer that issues a policy for stop-loss insurance to provide a small employer applying for a policy for stop-loss insurance a disclosure on a form prescribed by the Commissioner. **Section 1** also provides that certain policies of stop-loss insurance are not required to include guaranteed issue and guaranteed renewability provisions. **Sections 2 and 7** of this regulation require an insurer that issues a policy for stop-loss insurance to annually provide certain information to the Commissioner on or before April 1, 2024, and on or before April 1 of each subsequent year.

Existing law relating to health insurance for small employers authorizes the Commissioner to adopt regulations to: (1) carry out the provisions relating to health benefit plans; and (2) prescribe standards for determining whether a policy issued as a stop-loss policy is

a health benefit plan. (NRS 689C.155, 689C.940) Existing regulations prohibit an insurer from issuing a policy for stop-loss insurance that fails to meet certain standards for attachment points for individuals and groups. Existing regulations further provide that if a policy for stop-loss insurance fails to meet such standards, the policy will be deemed to be a health benefit plan. (NAC 689C.250) **Section 3** of this regulation requires a policy for stop-loss insurance to: (1) not provide direct coverage of the health care expenses of an individual; and (2) have certain standard attachment points for individuals and groups. **Section 3** requires a policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer to: (1) include certain provisions and information; and (2) not include any provision which allows lasering or allows claims to be paid directly to certain individuals. **Section 3** requires an insurer that issues a policy for stop-loss insurance to provide a small employer applying for a policy for stop-loss insurance a disclosure on a form prescribed by the Commissioner. **Section 3** also provides that certain policies of stop-loss insurance are not required to include guaranteed issue and guaranteed renewability provisions. **Sections 4 and 7** of this regulation require an insurer that issues a policy for stop-loss insurance to annually provide certain information to the Commissioner on or before April 1, 2024, and on or before April 1 of each subsequent year.

Existing law authorizes the Commissioner to adopt such reasonable regulations relating to the substance, form and issuance of any contract covering the furnishing of hospital or medical or dental services. (NRS 695B.280) Existing regulations prohibit a nonprofit insurer from issuing a policy for stop-loss insurance for a hospital, medical or dental service plan if the policy for stop-loss insurance: (1) fails to meet certain standards for attachment points for individuals and groups; or (2) provides direct coverage of health care expenses of an individual. Existing regulations further provide that if a policy for stop-loss insurance for a hospital, medical or dental service plan fails to meet such standards or provides such direct coverage, the policy will be deemed to be a health benefit plan. (NAC 695B.250) **Section 5** of this regulation requires a policy for stop-loss insurance to: (1) not be issued for a small employer group that offers a group health plan to fewer than 15 employees; and (2) have certain standard attachment points for individuals and groups. **Section 5** requires a policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer to: (1) include certain provisions and information; and (2) not include any provision which allows lasering or allows claims to be paid directly to certain individuals. **Section 5** requires a nonprofit insurer that issues a policy for stop-loss insurance to provide a small employer applying for a policy for stop-loss insurance a disclosure on a form prescribed by the Commissioner. **Section 5** also provides that certain policies for stop-loss insurance are not required to include guaranteed issue and guaranteed renewability provisions. **Sections 6 and 7** of this regulation require a nonprofit insurer that issues a policy for stop-loss insurance to annually provide certain information to the Commissioner on or before April 1, 2024, and on or before April 1 of each subsequent year.

NEW FIRST  
PARALLEL  
SECTION

**Section 1.** NAC 689B.350 is hereby amended to read as follows:

689B.350 1. ~~{An insurer shall not issue a}~~ A policy for stop-loss insurance ~~{for a group health plan subject to the provisions of this chapter and chapter 689B of NRS if the policy for stop-loss insurance:}~~ **must:**

(a) ~~{Has}~~ **Not provide direct coverage of the health care expenses of an individual;**

(b) **Have** an annual *specific* attachment point for claims incurred per individual that is ~~{lower than \$10,000;~~

~~{b-Has}~~ **not less than \$20,000; and**

(c) **Have** an annual aggregate attachment point for : ~~{groups of not more than 50 persons that is lower than the greater of:}~~

(1) ~~{The number of group members times \$4,000;~~

~~{2)}~~ **Small employer groups that is at least the greater of:**

(I) One hundred and twenty percent of expected claims; or

~~{3- Ten}~~

(II) **Twenty** thousand dollars;

~~{e- Has an annual aggregate attachment point for}~~ **or**

(2) **All other** groups ~~{of more than 50 persons}~~ that is ~~{lower than}~~ **at least** 110 percent of expected claims . ~~{; or}~~

~~{d- Provides direct coverage of health care expenses of an individual.}~~

2. For the purposes of this section, an insurer shall determine **on a consistent basis at least annually** the number of *natural* persons , **including, without limitation, employees of the small employer and dependents of the employees of the small employer,** in a group ~~{on a consistent basis at least annually.}~~ **health plan.**

3. If a policy for stop-loss insurance for a group health plan does not meet the criteria set forth in ~~this section,~~ *subsection 1*, the policy will be deemed to be a health benefit plan for the purposes of this chapter and chapter 689B of NRS.

4. *A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must include, without limitation, the following:*

*(a) A provision in the policy for stop-loss insurance that guarantees the rates of the policy for stop-loss insurance for at least 12 months, without adjustment, unless there is a change in:*

*(1) The benefits provided under the group health plan provided by the small employer that occurs during the term of the policy for stop-loss insurance;*

*(2) The ownership and control of the small employer; or*

*(3) The number of persons who are covered by the group health plan changes by more than 15 percent as a result of the small employer acquiring a separate company or business or the small employer divesting part of its business to another company;*

*(b) Both a specific attachment point and an aggregate attachment point;*

*(c) Limitations on benefits and exclusions to coverage that align with the limitations on benefits and exclusions to coverage of the group health plan which is provided by the small employer, including, without limitation, any annual or lifetime limits provided in the group health plan provided by the small employer; and*

*(d) A requirement that the policy for stop-loss insurance must reimburse the small employer for any claim eligible for reimbursement under the policy for stop-loss insurance and such a claim is:*

*(1) Paid by the insurer within 6 months after the date the policy for stop-loss insurance contractually ends; or*

*(2) Not reimbursed as of the termination date, if any, of the policy for stop-loss insurance.*

*5. A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must not include any provision which allows:*

*(a) Lasering; or*

*(b) Claims to be paid directly to an individual employee, member or participant.*

*6. An insurer that issues a policy for stop-loss insurance shall provide to a small employer applying for a policy for stop-loss insurance a disclosure on a form prescribed by the Commissioner, which may be obtained from the Internet website of the Division and may include the name, identifying logo and address of the insurer.*

*7. Guaranteed issue and guaranteed renewability do not apply to a policy for stop-loss insurance governed by this section.*

*8. As used in this section:*

*(a) "Actively-at-work exclusion" means the exclusion of a natural person, including, without limitation, an employee of the small employer, who is a member of the group health plan offered by a small employer from coverage because the natural person is:*

*(1) An employee of the small employer; and*

*(2) Is not actively at work as a result of the use of earned leave.*

*(b) "Attachment point" means the amount of claims incurred by an insured group beyond which an insurer incurs a liability for payment.*

~~(b)~~ (c) “Expected claims” means the amount of claims that, in the absence of a *policy for stop-loss ~~policy~~ insurance* or other insurance, are projected to be incurred by an insured group through its *group* health plan ~~†~~

~~(e) “Stop-loss† and that would be eligible for reimbursement under a policy for stop-loss insurance.~~

(d) “Group health plan” has the meaning ascribed to it in NRS 689B.390.

(e) “Health care expenses” means the expenses of a group health plan associated with the delivery of services for health care.

(f) “Laserling” means:

(1) Assigning a different attachment point for a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, based on his or her expected health care costs or diagnosis;

(2) Assigning a deductible to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, that must be met before coverage under a policy for stop-loss insurance applies;

(3) Denying coverage under a policy for stop-loss insurance to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is otherwise covered by the group health plan provided by the small employer; or

(4) Applying an actively-at-work exclusion to a policy for stop-loss insurance.

(g) “Policy for stop-loss insurance” means insurance purchased by an employer to limit exposure to claim expenses under a *group* health ~~benefit†~~ plan provided by the employer.

(h) “Small employer” has the meaning ascribed to it in NRS 689C.095.

*(i) “Specific attachment point” means the amount of claims incurred per natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is a member of the insured group above which an insurer incurs a liability for payment.*

*(j) “Termination date” means a date upon which a policy for stop-loss insurance is terminated before the end date contractually provided in the policy for stop-loss insurance.*

NEW  
SECOND  
PARALLEL  
SECTION

**Sec. 2.** NAC 689B.350 is hereby amended to read as follows:

689B.350 1. A policy for stop-loss insurance must:

(a) Not provide direct coverage of the health care expenses of an individual;

(b) Have an annual specific attachment point for claims incurred per individual that is not less than \$20,000; and

(c) Have an annual aggregate attachment point for:

(1) Small employer groups that is at least the greater of:

(I) One hundred and twenty percent of expected claims; or

(II) Twenty thousand dollars; or

(2) All other groups that is at least 110 percent of expected claims.

2. For the purposes of this section, an insurer shall determine on a consistent basis at least annually the number of natural persons, including, without limitation, employees of the small employer and dependents of the employees of the small employer, in a group health plan.

3. If a policy for stop-loss insurance for a group health plan does not meet the criteria set forth in subsection 1, the policy will be deemed to be a health benefit plan for the purposes of this chapter and chapter 689B of NRS.

4. A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must include, without limitation, the following:

(a) A provision in the policy for stop-loss insurance that guarantees the rates of the policy for stop-loss insurance for at least 12 months, without adjustment, unless there is a change in:

(1) The benefits provided under the group health plan provided by the small employer that occurs during the term of the policy for stop-loss insurance;

(2) The ownership and control of the small employer; or

(3) The number of persons who are covered by the group health plan changes by more than 15 percent as a result of the small employer acquiring a separate company or business or the small employer divesting part of its business to another company;

(b) Both a specific attachment point and an aggregate attachment point;

(c) Limitations on benefits and exclusions to coverage that align with the limitations on benefits and exclusions to coverage of the group health plan which is provided by the small employer, including, without limitation, any annual or lifetime limits provided in the group health plan provided by the small employer; and

(d) A requirement that the policy for stop-loss insurance must reimburse the small employer for any claim eligible for reimbursement under the policy for stop-loss insurance and such a claim is:

(1) Paid by the insurer within 6 months after the date the policy for stop-loss insurance contractually ends; or

(2) Not reimbursed as of the termination date, if any, of the policy for stop-loss insurance.

5. A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must not include any provision which allows:



(a) Lasering; or

(b) Claims to be paid directly to an individual employee, member or participant.

6. An insurer that issues a policy for stop-loss insurance shall provide to a small employer applying for a policy for stop-loss insurance a disclosure on a form prescribed by the Commissioner, which may be obtained from the Internet website of the Division and may include the name, identifying logo and address of the insurer.

*7. On or before April 1 of each year, an insurer that issues a policy for stop-loss insurance shall submit to the Commissioner in a format prescribed by the Commissioner:*

*(a) If applicable, the experience the small employer had in Nevada with the policy for stop-loss insurance for the previous calendar year, including, without limitation:*

*(1) The size of the small employer, including, without limitation, the number of:*

*(I) Natural persons, including, without limitation, employees of the small employer and dependents of the employees of the small employer, in a group health plan covered by the policy for stop-loss insurance; and*

*(II) Employees eligible for coverage under the group health plan provided by the small employer as of the beginning of the policy for stop-loss insurance;*

*(2) The number of member months for:*

*(I) All natural persons, including, without limitation, employees of the small employer and dependents of the employees of the small employer, in a group health plan covered by the policy for stop-loss insurance; and*

*(II) Employees eligible for coverage under the group health plan provided by the small employer and enrolled in the group health plan covered by the policy for stop-loss insurance for the previous calendar year;*

- (3) The specific attachment point;*
- (4) Expected claims in the absence of a policy for stop-loss insurance;*
- (5) Expected claims under the specific attachment point;*
- (6) The aggregate attachment point;*
- (7) The earned premium; and*
- (8) Any claims paid by the policy for stop-loss insurance, including, without limitation:
  - (I) Specific losses resulting from claims incurred by a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is a member of the insured group; and*
  - (II) Aggregate losses incurred by the insured group; and**
- (b) A certificate of compliance with the requirements of this section.*

8. Guaranteed issue and guaranteed renewability do not apply to a policy for stop-loss insurance governed by this section.

~~18.1~~ 9. As used in this section:

(a) “Actively-at-work exclusion” means the exclusion of a natural person, including, without limitation, an employee of the small employer, who is a member of the group health plan offered by a small employer from coverage because the natural person is:

- (1) An employee of the small employer; and
- (2) Is not actively at work as a result of the use of earned leave.

(b) “Attachment point” means the amount of claims incurred by an insured group beyond which an insurer incurs a liability for payment.

(c) “Expected claims” means the amount of claims that, in the absence of a policy for stop-loss insurance or other insurance, are projected to be incurred by an insured group through its

group health plan and that would be eligible for reimbursement under a policy for stop-loss insurance.

(d) “Group health plan” has the meaning ascribed to it in NRS 689B.390.

(e) “Health care expenses” means the expenses of a group health plan associated with the delivery of services for health care.

(f) “Lasering” means:

(1) Assigning a different attachment point for a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, based on his or her expected health care costs or diagnosis;

(2) Assigning a deductible to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, that must be met before coverage under a policy for stop-loss insurance applies;

(3) Denying coverage under a policy for stop-loss insurance to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is otherwise covered by the group health plan provided by the small employer; or

(4) Applying an actively-at-work exclusion to a policy for stop-loss insurance.

(g) “Policy for stop-loss insurance” means insurance purchased by an employer to limit exposure to claim expenses under a group health plan provided by the employer.

(h) “Small employer” has the meaning ascribed to it in NRS 689C.095.

(i) “Specific attachment point” means the amount of claims incurred per natural person, including, without limitation, an employee of the small employer or a dependent of an employee

of the small employer, who is a member of the insured group above which an insurer incurs a liability for payment.

(j) "Termination date" means a date upon which a policy for stop-loss insurance is terminated before the end date contractually provided in the policy for stop-loss insurance.

NEW FIRST  
PARALLEL  
SECTION

**Sec. 3.** NAC 689C.250 is hereby amended to read as follows:

689C.250 1. ~~{An insurer shall not issue a}~~ A policy for stop-loss insurance ~~{that:}~~ **must:**

(a) ~~{Has}~~ **Not provide direct coverage of the health care expenses of an individual;**

**(b) Have** an annual *specific* attachment point for claims incurred per individual that is ~~{lower than \$10,000;~~

~~—(b) Has} not less than \$20,000; and~~

**(c) Have** an annual aggregate attachment point for : ~~{groups of not more than 50 persons that is lower than the greater of:}~~

(1) ~~{The number of group members times \$4,000;~~

~~—(2)} **Small employer groups that is at least the greater of:**~~

**(I)** One hundred and twenty percent of expected claims; or

~~{(3) Ten}~~

**(II) Twenty** thousand dollars ~~{}~~ ; or

**(2) All other groups that is at least 110 percent of expected claims.**

2. For the purposes of this section, an insurer shall determine **on a consistent basis at least annually** the number of *natural* persons , **including, without limitation, employees of the small employer and dependents of the employees of the small employer,** in a group ~~{on a consistent basis at least annually.}~~ **health plan.**

3. If a policy for stop-loss insurance does not meet the criteria set forth in ~~{this section,}~~ *subsection 1*, the policy will be deemed to be a health benefit plan for the purposes of this chapter and chapter 689C of NRS.

4. *A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must include, without limitation, the following:*

*(a) A provision in the policy for stop-loss insurance that guarantees the rates of the policy for stop-loss insurance for at least 12 months, without adjustment, unless there is a change in:*

*(1) The benefits provided under the group health plan provided by the small employer that occurs during the term of the policy for stop-loss insurance;*

*(2) The ownership and control of the small employer; or*

*(3) The number of persons who are covered by the group health plan changes by more than 15 percent as a result of the small employer acquiring a separate company or business or of the small employer divesting part of its business to another company;*

*(b) Both a specific attachment point and an aggregate attachment point;*

*(c) Limitations on benefits and exclusions to coverage that align with the limitations on benefits and exclusions to coverage of the group health plan which is provided by the small employer, including, without limitation, any annual or lifetime limits provided in the group health plan provided by the small employer; and*

*(d) A requirement that the policy for stop-loss insurance must reimburse the small employer for any claim eligible for reimbursement under the policy for stop-loss insurance and such a claim is:*

*(1) Paid by the insurer within 6 months after the date the policy for stop-loss insurance contractually ends; or*

*(2) Not reimbursed as of the termination date, if any, of the policy for stop-loss insurance.*

*5. A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must not include any provision which allows:*

*(a) Laserling; or*

*(b) Claims to be paid directly to an individual employee, member or participant.*

*6. An insurer that issues a policy for stop-loss insurance shall provide to a small employer applying for a policy for stop-loss insurance a disclosure on a form prescribed by the Commissioner, which may be obtained from the Internet website of the Division and may include the name, identifying logo and address of the insurer.*

*7. Guaranteed issue and guaranteed renewability do not apply to a policy for stop-loss insurance governed by this section.*

*8. As used in this section:*

*(a) "Actively-at-work exclusion" means the exclusion of a natural person, including, without limitation, an employee of the small employer, who is a member of the group health plan offered by a small employer from coverage because the natural person is:*

*(1) An employee of the small employer; and*

*(2) Is not actively at work as a result of the use of earned leave.*

*(b) "Attachment point" means the amount of claims incurred by an insured group beyond which an insurer incurs a liability for payment.*

~~[(b)]~~ (c) “Expected claims” means the amount of claims that, in the absence of *a policy for stop-loss insurance or other insurance*, are projected to be incurred by an insured group through its *group* health plan ~~†~~

~~—(e) “Stop-loss† and that would be eligible for reimbursement under a policy for stop-loss insurance.~~

(d) “Group health plan” has the meaning ascribed to it in NRS 689B.390.

(e) “Health care expenses” means the expenses of a group health plan associated with the delivery of services for health care.

(f) “Laserling” means:

(1) Assigning a different attachment point for a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, based on his or her expected health care costs or diagnosis;

(2) Assigning a deductible to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, that must be met before coverage under a policy for stop-loss insurance applies;

(3) Denying coverage under a policy of stop-loss insurance to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is otherwise covered by the group health plan provided by the small employer; or

(4) Applying an actively-at-work exclusion to a policy for stop-loss insurance.

(g) “Policy for stop-loss insurance” means insurance purchased by an employer to limit exposure to claim expenses under a *group* health ~~†benefit†~~ plan provided by the employer.

(h) “Small employer” has the meaning ascribed to it in NRS 689C.095.

*(i) “Specific attachment point” means the amount of claims incurred per natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is a member of the insured group above which an insurer incurs a liability for payment.*

*(j) “Termination date” means a date upon which a policy for stop-loss insurance is terminated before the end date contractually provided in the policy for stop-loss insurance.*

NEW  
SECOND  
PARALLEL  
SECTION

**Sec. 4.** NAC 689C.250 is hereby amended to read as follows:

689C.250 1. A policy for stop-loss insurance must:

(a) Not provide direct coverage of the health care expenses of an individual;

(b) Have an annual specific attachment point for claims incurred per individual that is not less than \$20,000; and

(c) Have an annual aggregate attachment point for:

(1) Small employer groups that is at least the greater of:

(I) One hundred and twenty percent of expected claims; or

(II) Twenty thousand dollars; or

(2) All other groups that is at least 110 percent of expected claims.

2. For the purposes of this section, an insurer shall determine on a consistent basis at least annually the number of natural persons, including, without limitation, employees of the small employer and dependents of the employees of the small employer, in a group health plan.

3. If a policy for stop-loss insurance does not meet the criteria set forth in subsection 1, the policy will be deemed to be a health benefit plan for the purposes of this chapter and chapter 689C of NRS.



4. A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must include, without limitation, the following:

(a) A provision in the policy for stop-loss insurance that guarantees the rates of the policy for stop-loss insurance for at least 12 months, without adjustment, unless there is a change in:

(1) The benefits provided under the group health plan provided by the small employer that occurs during the term of the policy for stop-loss insurance;

(2) The ownership and control of the small employer; or

(3) The number of persons who are covered by the group health plan changes by more than 15 percent as a result of the small employer acquiring a separate company or business or of the small employer divesting part of its business to another company;

(b) Both a specific attachment point and an aggregate attachment point;

(c) Limitations on benefits and exclusions to coverage that align with the limitations on benefits and exclusions to coverage of the group health plan which is provided by the small employer, including, without limitation, any annual or lifetime limits provided in the group health plan provided by the small employer; and

(d) A requirement that the policy for stop-loss insurance must reimburse the small employer for any claim eligible for reimbursement under the policy for stop-loss insurance and such a claim is:

(1) Paid by the insurer within 6 months after the date the policy for stop-loss insurance contractually ends; or

(2) Not reimbursed as of the termination date, if any, of the policy for stop-loss insurance.

5. A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must not include any provision which allows:

(a) Lasering; or

(b) Claims to be paid directly to an individual employee, member or participant.

6. An insurer that issues a policy for stop-loss insurance shall provide to a small employer applying for a policy for stop-loss insurance a disclosure on a form prescribed by the Commissioner, which may be obtained from the Internet website of the Division and may include the name, identifying logo and address of the insurer.

*7. On or before April 1 of each year, an insurer that issues a policy for stop-loss insurance shall submit to the Commissioner in a format prescribed by the Commissioner:*

*(a) If applicable, the experience the small employer had in Nevada with the policy for stop-loss insurance for the previous calendar year, including, without limitation:*

*(1) The size of the small employer, including, without limitation, the number of:*

*(I) Natural persons, including, without limitation, employees of the small employer and dependents of the employees of the small employer, in a group health plan covered by the policy for stop-loss insurance; and*

*(II) Employees eligible for coverage under the group health plan provided by the small employer as of the beginning of the policy for stop-loss insurance;*

*(2) The number of member months for:*

*(I) All natural persons, including, without limitation, employees of the small employer and dependents of the employees of the small employer, in a group health plan covered by the policy for stop-loss insurance; and*

*(II) Employees eligible for coverage under the group health plan provided by the small employer and enrolled in the group health plan covered by the policy for stop-loss insurance for the previous calendar year;*

*(3) The specific attachment point;*

*(4) Expected claims in the absence of a policy for stop-loss insurance;*

*(5) Expected claims under the specific attachment point;*

*(6) The aggregate attachment point;*

*(7) The earned premium; and*

*(8) Any claims paid by the policy for stop-loss insurance, including, without limitation:*

*(I) Specific losses resulting from claims incurred by a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is a member of the insured group; and*

*(II) Aggregate losses incurred by the insured group; and*

*(b) A certificate of compliance with the requirements of this section.*

8. Guaranteed issue and guaranteed renewability do not apply to a policy for stop-loss insurance governed by this section.

~~18.1~~ 9. As used in this section:

(a) “Actively-at-work exclusion” means the exclusion of a natural person, including, without limitation, an employee of the small employer, who is a member of the group health plan offered by a small employer from coverage because the natural person is:

(1) An employee of the small employer; and

(2) Is not actively at work as a result of the use of earned leave.

(b) “Attachment point” means the amount of claims incurred by an insured group beyond which an insurer incurs a liability for payment.

(c) “Expected claims” means the amount of claims that, in the absence of a policy for stop-loss insurance or other insurance, are projected to be incurred by an insured group through its

group health plan and that would be eligible for reimbursement under a policy for stop-loss insurance.

(d) “Group health plan” has the meaning ascribed to it in NRS 689B.390.

(e) “Health care expenses” means the expenses of a group health plan associated with the delivery of services for health care.

(f) “Lasering” means:

(1) Assigning a different attachment point for a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, based on his or her expected health care costs or diagnosis;

(2) Assigning a deductible to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, that must be met before coverage under a policy for stop-loss insurance applies;

(3) Denying coverage under a policy of stop-loss insurance to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is otherwise covered by the group health plan provided by the small employer; or

(4) Applying an actively-at-work exclusion to a policy for stop-loss insurance.

(g) “Policy for stop-loss insurance” means insurance purchased by an employer to limit exposure to claim expenses under a group health plan provided by the employer.

(h) “Small employer” has the meaning ascribed to it in NRS 689C.095.

(i) “Specific attachment point” means the amount of claims incurred per natural person, including, without limitation, an employee of the small employer or a dependent of an employee

of the small employer, who is a member of the insured group above which an insurer incurs a liability for payment.

(j) "Termination date" means a date upon which a policy for stop-loss insurance is terminated before the end date contractually provided in the policy for stop-loss insurance.

NEW FIRST  
PARALLEL  
SECTION

**Sec. 5.** NAC 695B.250 is hereby amended to read as follows:

695B.250 1. ~~{An insurer shall not issue a}~~ A policy for stop-loss insurance ~~{for a hospital, medical or dental service plan subject to the provisions of this chapter and chapter 695B of NRS if the policy for stop-loss insurance:}~~ **must:**

(a) ~~{Has}~~ **Not provide direct coverage of the health care expenses of an individual;**

(b) **Have** an annual *specific* attachment point for claims incurred per individual that is ~~{lower than \$10,000;~~

~~{b) Has}~~ **not less than \$20,000; and**

(c) **Have** an annual aggregate attachment point for : ~~{groups of not more than 50 persons that is lower than the greater of:}~~

(1) ~~{The number of group members times \$4,000;~~

~~{2)}~~ **Small employer groups that is at least the greater of:**

(I) One hundred and twenty percent of expected claims; or

~~{3) Ten}~~

(II) **Twenty** thousand dollars;

~~{e) Has an annual aggregate attachment point for}~~ **or**

(2) **All other** groups ~~{of more than 50 persons}~~ that is ~~{lower than}~~ **at least** 110 percent of expected claims . ~~{; or}~~

~~{d) Provides direct coverage of health care expenses of an individual.}~~

2. For the purposes of this section, an insurer shall determine *on a consistent basis at least annually* the number of *natural* persons , *including, without limitation, employees of the small employer and dependents of the employees of the small employer*, in a group ~~on a consistent basis at least annually.~~ *health plan.*

3. If a policy for stop-loss insurance ~~for a hospital, medical or dental service plan~~ does not meet the criteria set forth in ~~this section,~~ *subsection 1*, the policy will be deemed to be a health benefit plan for the purposes of this chapter and chapter 695B of NRS.

4. *A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must include, without limitation, the following:*

*(a) A provision in the policy for stop-loss insurance that guarantees the rates of the policy for stop-loss insurance for at least 12 months, without adjustment, unless there is a change in:*

*(1) The benefits provided under the group health plan provided by the small employer that occurs during the term of the policy for stop-loss insurance;*

*(2) The ownership and control of the small employer; or*

*(3) The number of persons who are covered by the group health plan changes by more than 15 percent as a result of the small employer acquiring a separate company or business or of the small employer divesting part of its business to another company;*

*(b) Both a specific attachment point and an aggregate attachment point;*

*(c) Limitations on benefits and exclusions to coverage that align with the limitations on benefits and exclusions to coverage of the group health plan which is provided by the small employer, including, without limitation, any annual or lifetime limits provided in the group health plan provided by the small employer; and*

*(d) A requirement that the policy for stop-loss insurance must reimburse the small employer for any claim eligible for reimbursement under the policy for stop-loss insurance and such a claim is:*

*(1) Paid by the insurer within 6 months after the date the policy for stop-loss insurance contractually ends; or*

*(2) Not reimbursed as of the termination date, if any, of the policy for stop-loss insurance.*

*5. A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must not include any provision which allows:*

*(a) Lasering; or*

*(b) Claims to be paid directly to an individual employee, member or participant.*

*6. An insurer that issues a policy for stop-loss insurance shall provide to a small employer applying for a policy for stop-loss insurance a disclosure on a form prescribed by the Commissioner, which may be obtained from the Internet website of the Division and may include the name, identifying logo and address of the insurer.*

*7. Guaranteed issue and guaranteed renewability do not apply to a policy for stop-loss insurance governed by this section.*

*8. As used in this section:*

*(a) "Actively-at-work exclusion" means the exclusion of a natural person, including, without limitation, an employee of the small employer, who is a member of the group health plan offered by a small employer from coverage because the natural person is:*

*(1) An employee of the small employer; and*

*(2) Is not actively at work as a result of the use of earned leave.*

(b) “Attachment point” means the amount of claims incurred by an insured group beyond which an insurer incurs a liability for payment.

~~(b)~~ (c) “Expected claims” means the amount of claims that, in the absence of a *policy for stop-loss ~~policy~~ insurance* or other insurance, are projected to be incurred by an insured group through its *group* health plan ~~†~~.

~~—(e) “Stop-loss† and that would be eligible for reimbursement under a policy for stop-loss insurance.~~

(d) *“Group health plan” has the meaning ascribed to it in NRS 689B.390.*

(e) *“Health care expenses” means the expenses of a group health plan associated with the delivery of services for health care.*

(f) *“Lasering” means:*

(1) *Assigning a different attachment point for a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, based on his or her expected health care costs or diagnosis;*

(2) *Assigning a deductible to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, that must be met before coverage under a policy for stop-loss insurance applies;*

(3) *Denying coverage under a policy for stop-loss insurance to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is otherwise covered by the group health plan provided by the small employer; or*

(4) *Applying an actively-at-work exclusion to a policy for stop-loss insurance.*



(g) *“Policy for stop-loss insurance”* means insurance purchased by an employer to limit exposure to claim expenses under a *group* health ~~benefit~~ plan provided by the employer.

(h) *“Small employer”* has the meaning ascribed to it in NRS 689C.095.

(i) *“Specific attachment point”* means the amount of claims incurred per natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is a member of the insured group above which an insurer incurs a liability for payment.

(j) *“Termination date”* means a date upon which a policy for stop-loss insurance is terminated before the end date contractually provided in the policy for stop-loss insurance.

NEW  
SECOND  
PARALLEL  
SECTION

**Sec. 6.** NAC 695B.250 is hereby amended to read as follows:

695B.250 1. A policy for stop-loss insurance must:

(a) Not provide direct coverage of the health care expenses of an individual;

(b) Have an annual specific attachment point for claims incurred per individual that is not less than \$20,000; and

(c) Have an annual aggregate attachment point for:

(1) Small employer groups that is at least the greater of:

(I) One hundred and twenty percent of expected claims; or

(II) Twenty thousand dollars; or

(2) All other groups that is at least 110 percent of expected claims.

2. For the purposes of this section, an insurer shall determine on a consistent basis at least annually the number of natural persons, including, without limitation, employees of the small employer and dependents of the employees of the small employer, in a group health plan.

3. If a policy for stop-loss insurance does not meet the criteria set forth in subsection 1, the policy will be deemed to be a health benefit plan for the purposes of this chapter and chapter 695B of NRS.

4. A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must include, without limitation, the following:

(a) A provision in the policy for stop-loss insurance that guarantees the rates of the policy for stop-loss insurance for at least 12 months, without adjustment, unless there is a change in:

(1) The benefits provided under the group health plan provided by the small employer that occurs during the term of the policy for stop-loss insurance;

(2) The ownership and control of the small employer; or

(3) The number of persons who are covered by the group health plan changes by more than 15 percent as a result of the small employer acquiring a separate company or business or of the small employer divesting part of its business to another company;

(b) Both a specific attachment point and an aggregate attachment point;

(c) Limitations on benefits and exclusions to coverage that align with the limitations on benefits and exclusions to coverage of the group health plan which is provided by the small employer, including, without limitation, any annual or lifetime limits provided in the group health plan provided by the small employer; and

(d) A requirement that the policy for stop-loss insurance must reimburse the small employer for any claim eligible for reimbursement under the policy for stop-loss insurance and such a claim is:

(1) Paid by the insurer within 6 months after the date the policy for stop-loss insurance contractually ends; or

(2) Not reimbursed as of the termination date, if any, of the policy for stop-loss insurance.

5. A policy for stop-loss insurance for a group health plan that is delivered to, issued for delivery to or entered into with a small employer must not include any provision which allows:

(a) Lasering; or

(b) Claims to be paid directly to an individual employee, member or participant.

6. An insurer that issues a policy for stop-loss insurance shall provide to a small employer applying for a policy for stop-loss insurance a disclosure on a form prescribed by the Commissioner, which may be obtained from the Internet website of the Division and may include the name, identifying logo and address of the insurer.

*7. On or before April 1 of each year, an insurer that issues a policy for stop-loss insurance shall submit to the Commissioner in a format prescribed by the Commissioner:*

*(a) If applicable, the experience the small employer had in Nevada with the policy for stop-loss insurance for the previous calendar year, including, without limitation:*

*(1) The size of the small employer, including, without limitation, the number of:*

*(I) Natural persons, including, without limitation, employees of the small employer and dependents of the employees of the small employer, in a group health plan covered by the policy for stop-loss insurance; and*

*(II) Employees eligible for coverage under the group health plan provided by the small employer as of the beginning of the policy for stop-loss insurance;*

*(2) The number of member months for:*

*(I) All natural persons, including, without limitation, employees of the small employer and dependents of the employees of the small employer, in a group health plan covered by the policy for stop-loss insurance; and*

*(II) Employees eligible for coverage under the group health plan provided by the small employer and enrolled in the group health plan covered by the policy for stop-loss insurance for the previous calendar year;*

*(3) The specific attachment point;*

*(4) Expected claims in the absence of a policy for stop-loss insurance;*

*(5) Expected claims under the specific attachment point;*

*(6) The aggregate attachment point;*

*(7) The earned premium; and*

*(8) Any claims paid by the policy for stop-loss insurance, including, without limitation:*

*(I) Specific losses resulting from claims incurred by a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is a member of the insured group; and*

*(II) Aggregate losses incurred by the insured group; and*

*(b) A certificate of compliance with the requirements of this section.*

8. Guaranteed issue and guaranteed renewability do not apply to a policy for stop-loss insurance governed by this section.

~~18.1~~ 9. As used in this section:

(a) “Actively-at-work exclusion” means the exclusion of a natural person, including, without limitation, an employee of the small employer, who is a member of the group health plan offered by a small employer from coverage because the natural person is:

(1) An employee of the small employer; and

(2) Is not actively at work as a result of the use of earned leave.

(b) “Attachment point” means the amount of claims incurred by an insured group beyond which an insurer incurs a liability for payment.

(c) “Expected claims” means the amount of claims that, in the absence of a policy for stop-loss insurance or other insurance, are projected to be incurred by an insured group through its group health plan and that would be eligible for reimbursement under a policy for stop-loss insurance.

(d) “Group health plan” has the meaning ascribed to it in NRS 689B.390.

(e) “Health care expenses” means the expenses of a group health plan associated with the delivery of services for health care.

(f) “Lasering” means:

(1) Assigning a different attachment point for a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, based on his or her expected health care costs or diagnosis;

(2) Assigning a deductible to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, that must be met before coverage under a policy for stop-loss insurance applies;

(3) Denying coverage under a policy for stop-loss insurance to a natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is otherwise covered by the group health plan provided by the small employer; or

(4) Applying an actively-at-work exclusion to a policy for stop-loss insurance.

(g) “Policy for stop-loss insurance” means insurance purchased by an employer to limit exposure to claim expenses under a group health plan provided by the employer.

(h) “Small employer” has the meaning ascribed to it in NRS 689C.095.

(i) “Specific attachment point” means the amount of claims incurred per natural person, including, without limitation, an employee of the small employer or a dependent of an employee of the small employer, who is a member of the insured group above which an insurer incurs a liability for payment.

(j) “Termination date” means a date upon which a policy for stop-loss insurance is terminated before the end date contractually provided in the policy for stop-loss insurance.

**Sec. 7.** 1. This section and sections 1, 3 and 5 of this regulation become effective upon filing with the Secretary of State.

2. Sections 2, 4 and 6 of this regulation become effective on the later of:

(a) January 1, 2024; or

(b) The date on which this regulation is filed with the Secretary of State.