

REINSURE THE REMAINDER. A REINSURING CARRIER'S LIABILITY UNDER THIS SUBPARAGRAPH MAY NOT EXCEED A MAXIMUM LIMIT OF \$10,000 IN ANY 1 CALENDAR YEAR WITH RESPECT TO ANY REINSURED INDIVIDUAL.

(II) THE BOARD ANNUALLY SHALL ADJUST THE INITIAL LEVEL OF CLAIMS AND THE MAXIMUM LIMIT TO BE RETAINED BY THE CARRIER TO REFLECT INCREASES IN COSTS AND UTILIZATION WITHIN THE STANDARD MARKET FOR HEALTH BENEFIT PLANS WITHIN THE STATE. THE ADJUSTMENT MAY NOT BE LESS THAN THE ANNUAL CHANGE IN THE MEDICAL COMPONENT OF THE "CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS" OF THE DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, UNLESS THE BOARD PROPOSES AND THE COMMISSIONER APPROVES A LOWER ADJUSTMENT FACTOR.

(6) A SMALL EMPLOYER CARRIER MAY TERMINATE REINSURANCE FOR ONE OR MORE OF THE REINSURED EMPLOYEES OR DEPENDENTS OF A SMALL EMPLOYER ON ANY PLAN ANNIVERSARY.

(B) (1) THE BOARD, AS PART OF THE PLAN OF OPERATION, SHALL ESTABLISH A METHODOLOGY FOR DETERMINING PREMIUM RATES TO BE CHARGED BY THE POOL FOR REINSURING SMALL EMPLOYERS AND INDIVIDUALS UNDER THIS SECTION. THE METHODOLOGY SHALL PROVIDE FOR THE DEVELOPMENT OF BASE REINSURANCE PREMIUM RATES, WHICH SHALL BE MULTIPLIED BY THE FACTORS SET FORTH IN PARAGRAPH (2) OF THIS SUBSECTION TO DETERMINE THE PREMIUM RATES FOR THE POOL. THE BASE REINSURANCE PREMIUM RATES SHALL BE ESTABLISHED BY THE BOARD AND SHALL BE SET AT LEVELS THAT REASONABLY APPROXIMATE GROSS PREMIUMS CHARGED TO SMALL EMPLOYERS BY SMALL EMPLOYER CARRIERS FOR HEALTH BENEFIT PLANS UP TO THE LEVEL OF COVERAGE DETERMINED BY THE BOARD.

(2) PREMIUMS FOR THE POOL SHALL BE AS FOLLOWS:

(I) AN ENTIRE SMALL EMPLOYER GROUP MAY BE REINSURED FOR A RATE THAT IS 1.5 TIMES THE BASE REINSURANCE PREMIUM RATE FOR THE GROUP ESTABLISHED UNDER THIS SUBSECTION.

(II) AN ELIGIBLE EMPLOYEE OR DEPENDENT MAY BE REINSURED FOR A RATE THAT IS 5 TIMES THE BASE REINSURANCE PREMIUM RATE FOR THE INDIVIDUAL ESTABLISHED UNDER THIS SUBSECTION.

(3) THE BOARD PERIODICALLY SHALL REVIEW THE METHODOLOGY ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION, INCLUDING THE SYSTEM OF CLASSIFICATION AND ANY RATING FACTORS, TO ASSURE THAT IT REASONABLY REFLECTS THE CLAIMS EXPERIENCE OF THE POOL. THE BOARD MAY PROPOSE CHANGES TO THE METHODOLOGY WHICH SHALL BE SUBJECT TO THE APPROVAL OF THE COMMISSIONER.

(C) IF A HEALTH BENEFIT PLAN FOR A SMALL EMPLOYER IS ENTIRELY OR PARTIALLY REINSURED WITH THE PROGRAM, THE PREMIUM CHARGED TO THE SMALL EMPLOYER FOR ANY RATING PERIOD FOR THE COVERAGE ISSUED SHALL MEET THE REQUIREMENTS RELATING TO PREMIUM RATES SET FORTH IN § 702 OF THIS SUBTITLE.