

5. Miscellaneous operations requirements for carriers.

(a) Transfers.

(1) A carrier may not arbitrarily transfer a group or individual involuntarily into or out of a health benefit plan.

(2) A carrier may not offer to transfer a group or individual into or out of a health benefit plan unless the offer to transfer is made to all individuals or groups with similar risk adjustment factors.

(b) Disclosures in solicitation and sales materials.

A carrier shall make a reasonable disclosure in its solicitation and sales materials of:

(1) the provisions that relate to the carrier's right to change premium rates, including any factors that may affect the changes in premium rates;

(2) the provisions that relate to renewability of policies and contracts;

(3) the provisions that relate to preexisting conditions; and

(4) the provisions of § 7 of this subheading that require an employer to make dependent coverage available to employees but do not require the employer to make a contribution to the premium payments for that dependent coverage.

(c) Minimum participation requirements.

Subject to the approval of the Commissioner and as provided under § 7(c) of this subheading, a carrier may impose reasonable minimum participation requirements.

(d) Actuarial certifications.

(1) On or before March 15 of each year, each carrier shall file an actuarial certification with the Commissioner.

(2) The actuarial certification shall be written in a form that the Commissioner approves, by a member of the American Academy of Actuaries or another person acceptable to the Commissioner and shall state that the carrier is in compliance with this subheading and has followed the rating practices imposed under § 4 of this subheading.

(3) The actuarial certification shall be based on an examination that includes a review of appropriate records and actuarial assumptions and methods used by the carrier.

(e) Records.

(1) To indicate compliance with subsections (b) and (c) of this section and § 4(d) of this subheading, a carrier shall maintain information and documentation that is satisfactory to the Commissioner.

(2) A carrier shall: