

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1999:

Approved May 27, 1999:

**CHAPTER 683**

**(House Bill 1086)**

AN ACT concerning

**Stop-Loss Insurance Policies — ~~Small Employer Groups~~**

FOR the purpose of providing that a stop-loss insurance policy or contract delivered or issued for delivery in Maryland ~~to small employer groups~~ may not have attachment points below certain amounts; and generally relating to the regulation of stop-loss insurance policies and contracts.

BY adding to

Article - Insurance

Section 15-126

Annotated Code of Maryland

(1997 Volume and 1998 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article - Insurance**

15-126.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "AGGREGATE ATTACHMENT POINT" MEANS THE PERCENTAGE OF EXPECTED CLAIMS ~~FOR ALL BENEFICIARIES~~ IN A POLICY YEAR ABOVE WHICH THE STOP-LOSS INSURER ASSUMES ALL OR PART OF THE LIABILITY FOR ~~BENEFITS PAYABLE BY THE HEALTH PLAN.~~

(3) ~~"BENEFICIARY" MEANS AN INDIVIDUAL ENTITLED TO BENEFITS UNDER A HEALTH PLAN~~ LOSSES INCURRED BY THE INSURED.

(4) "EXPECTED CLAIMS" MEANS THE AMOUNT OF CLAIMS THAT, IN THE ABSENCE OF STOP-LOSS INSURANCE, ARE PROJECTED TO BE INCURRED BY THE INSURED HEALTH PLAN USING REASONABLE AND ACCEPTED ACTUARIAL PRINCIPLES.

(5) ~~"HEALTH PLAN" MEANS AN EMPLOYEE BENEFIT PLAN THAT PROVIDES MEDICAL CARE TO EMPLOYEES OR THEIR DEPENDENTS.~~