

191—71.12(513B) Status of carriers as small employer carriers.

71.12(1) Subject to 71.12(2), a carrier or ODS shall not offer health insurance coverages to small employers or continue to provide coverage under health insurance coverages previously issued to small employers in this state unless the carrier or ODS has made a filing with the commissioner or director that the carrier or ODS intends to operate as a small employer carrier or ODS in this state under the terms of this chapter.

71.12(2) a. If a carrier or ODS does not intend to operate as a small employer carrier or ODS in this state, the carrier or ODS may continue to provide coverage under health insurance coverages previously issued to small employers in this state only if the carrier or ODS complies with the following provisions:

(1) The carrier or ODS complies with the requirements of Iowa Code chapter 513B (other than sections 513B.11 to 513B.13) with respect to each of the health insurance coverages previously issued to small employers by the carrier or ODS.

(2) The carrier or ODS provides coverage to each new entrant to health insurance coverage previously issued to a small employer by the carrier or ODS. The provisions of Iowa Code chapter 513B (other than sections 513B.11 to 513B.13) and this chapter shall apply to the coverage issued new entrants.

(3) The carrier or ODS complies with the requirements of 513B.17A, and rule 71.13(513B), as they apply to small employers whose coverage has been terminated by the carrier or ODS, and to individuals and small employers whose coverage has been limited or restricted by the carrier or ODS.

b. A carrier or ODS that continues to provide coverage pursuant to this subrule shall not be eligible to participate in the reinsurance program established under Iowa Code section 513B.11.

71.12(3) If a carrier does not intend to operate as a small employer carrier in this state, the carrier shall be precluded from operating as a small employer carrier in this state (except as provided for in 71.12(2)) for a period of five years from the date of this chapter. Upon a written request from such a carrier, the commissioner may reduce the period provided for in the previous sentence if the commissioner finds that permitting the carrier to operate as a small employer carrier would be in the best interests of the small employers in the state.