

SIIA Delegation Finds Maine Review of Stop-Loss Taking a Positive Direction



The collaborative effort between SIIA and the Maine Bureau of Insurance (BOI) to determine the future of small group stop-loss insurance in the state has taken a significant step forward with an informal conversation last month between a SIIA delegation and BOI officials including Superintendent Eric Cioppa and his top policy advisors.

The project to create new small group regulations in Maine was initiated last fall with a stakeholders hearing agenda that included open questions regarding the use and scope of stop-loss insurance for employer-sponsored self-insured health plans.

Last month's smaller, less formal meeting was different. "We were able to visit with all the BOI's top decision makers in a very congenial atmosphere," said SIIA vice president of state government relations Adam Brackemyre who went to BOI headquarters in Gardiner, Maine, along with SIIA members Robert Melillo and Eric DuPont of The Guardian Life Insurance Company of America (Guardian), and Catherine Bresler of Starmark, a subsidiary of The Trustmark Companies.

"A few months ago there was a possibility of legislation that would have prevented the sale of stop-loss in the small group market," Bresler said. "In the in-person meeting we were able to get a sense of the bureau's direction. I would say our worst fears were put to rest.

"In fact," she continued. "The superintendent stated they are not interested in banning or severely limiting the stop-loss market."



Catherine Bresler

The BOI's review of stop-loss insurance began when a bill that would adversely affect its use in the state was introduced last year. The legislature didn't advance that bill, but asked the BOI to review with subject for possible new rules.

"The good news is that we didn't sense the BOI feels there is a problem with misuse or a basic flaw in the stop-loss product," said Robert Melillo, head of stop-loss for Guardian.

Rather than limiting stop-loss or making significant changes in its use, the Bureau was attentive to Melillo's idea to increase education and training among the state's brokers and agents. "We briefed them on Guardian's program of providing continuing education (CE) credit courses throughout our markets," he said. "They seemed open to that. My analogy was that any good trade union provides extensive education and training in its specialties, resulting a greater service to their markets. I believe it's a positive sign that they would want to educate rather than legislate."

Catherine Bresler said the Bureau's openness to learning about stop-loss insurance and other aspects of self-insurance may have future broad implications as Superintendent Cioppa moves up next year from vice president to president of the National Association of Insurance Commissioners.

"Both the Superintendent and BOI general counsel Bob Wake are highly regarded among the NAIC leadership, so it was a great signal that it's important to them to gain greater understanding of stop-loss insurance," Bresler said.

In previous years some tension existed between the self-insurance industry and the NAIC as the organization promulgated restrictive model laws regarding the use of stop-loss insurance for adoption by states.

"Moving forward, we expect the Bureau to convene another broad stakeholders meeting before establishing new rules," said Adam Brackemyre. "It appears that the Bureau is positioned to establish standards without new legislation and are taking a very thoughtful approach."

SIIA will continue to update members on this issue through various digital platforms. Questions or comments are invited by Adam Brackemyre at (202) 463-8161 or by email, abrackemyre@siaa.org. ■



RJ Melillo