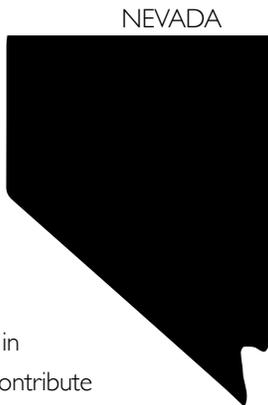


SIIA delegation ready to appear on Proposed Nevada stop-loss regulations

SIIA political action volunteers prepared to appear at the Nevada Department of Insurance (DOI) in Carson City to contribute to the state's proposed stop-loss insurance regulations whose first draft provided significant potential challenges to self-insuring employers.

When SIIA requested a meeting to present its comments, it was invited to join the DOI's informal working group comprised of members of the Nevada insurance industry, then expanded to include interested parties from beyond the Silver State. SIIA's participation in the working group had not been scheduled by the time this issue was prepared.



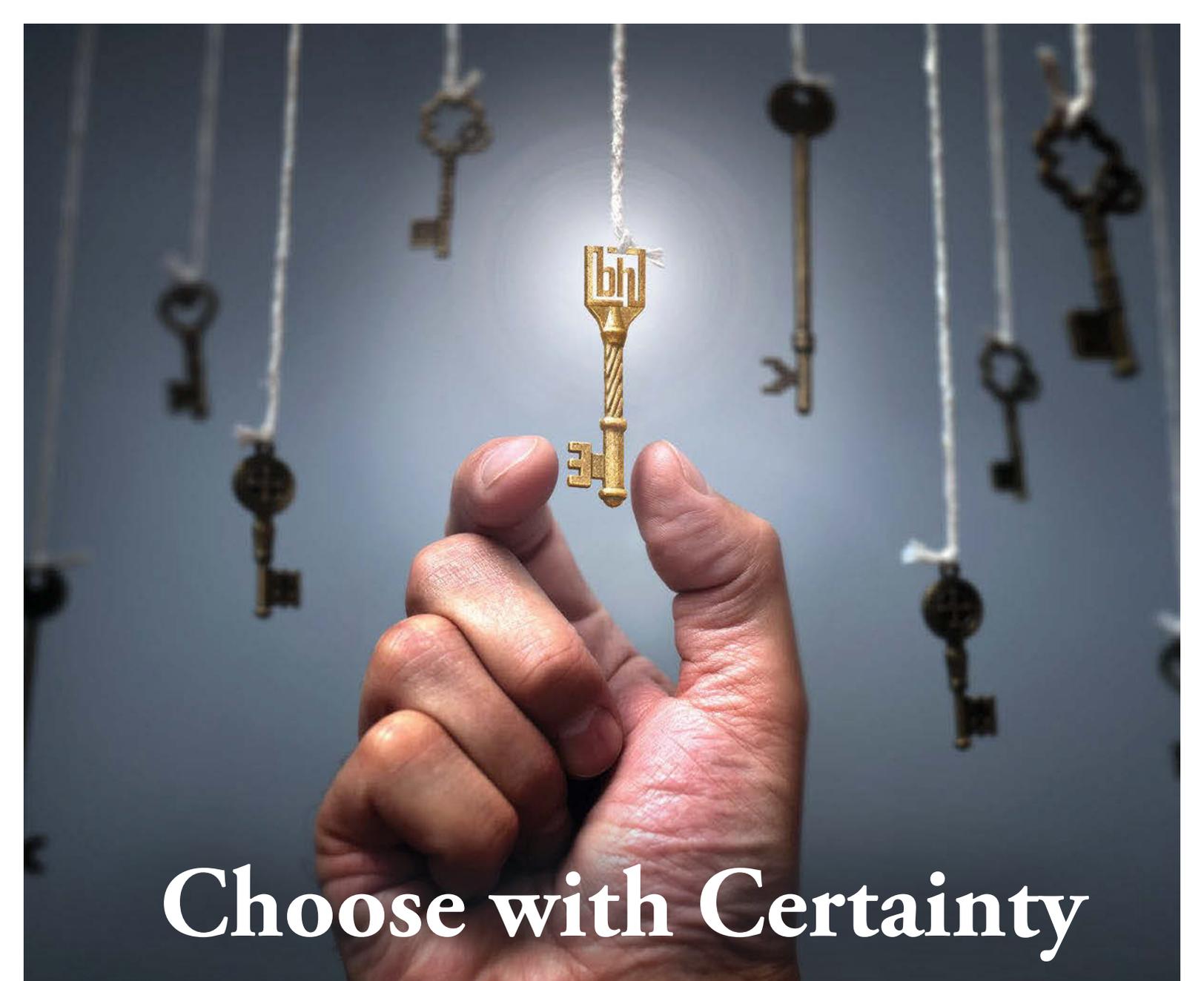
"Our experience is that it's always better for members to appear in person on issues that affect the self-insurance industry in any state," said Adam Brackemyre, Vice President of State Government Relations. SIIA's representatives include SIIA Chairman Jay Ritchie, Government Relations Chairman Larry Thompson and Government Relations Committee member Catherine Bresler.

The Nevada DOI's examination of stop-loss regulations began earlier this year with the drafting of revised stop-loss regulations by the original working group comprised of members of the Nevada Insurance Commissioner's Advisory Committee on Health Care and Insurance. The draft included these elements;

- Increasing the minimum individual attachment point from \$10K to \$20K.
- Dropping the per-person aggregate.
- Requiring standard financial information to be disclosed in a small group stop-loss contract.
- Prohibiting lasering in small group contracts.
- Prohibiting stop-loss contracts to groups with 15 or fewer eligible employees.

"Obviously, we are pressing to make sure that SIIA's positions are considered, and that these regulations provide the best options for Nevada employers of all sizes," Brackemyre said.

Government Relations Committee Chairman Thompson has a long history with such issues on both national and state levels. "We're most effective when we provide an educational experience in a cooperative and consultative manner," he said. "So we'll be conciliatory in Nevada's process and look for ways to serve their mission of protecting the state's insurance consumers.



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“There are elements of the proposed regulations that we could live with and also some that provide considerable concern on our part,” Thompson said.

“First, we don’t believe it’s a good idea to ban the benefits of stop-loss insurance for groups of 15 or fewer employees. In many instances, very small groups are well-served by stop-loss. Rather than the government arbitrarily setting a limit, they could let the economics of a group’s needs be in control.

“Second, the matter of disclosure in this context is troubling because it seems to indicate that Nevada would be confusing stop-loss insurance with health insurance,” Thompson said. He points out that the U.S. House of Representatives has drawn the line between the two by passing the SIIA-backed Self-Insurance Protection Act (SIPA) that specifically sets stop-loss apart as it covers losses by a self-insurance plan but does not pay specific health care claims to any individuals. SIIA continues to seek introduction of a companion bill in the U.S. Senate.

Asking stop-loss carriers to provide broad financial disclosure appears to SIIA to require the levels of communication or coordination among carriers and administrators that are provided by traditional fully-insured health carriers, but are unavailable to stop-loss carriers. “Stop-loss carriers should not be compelled to disclose information they do not reasonably have,” Thompson said.

Government Relations Committee member Bresler said, “We can all agree that clients need plenty of information in order to make their best decisions but the

question is, who is best positioned to provide that? The Department’s initial draft regulation demonstrates a lack of understanding about how self-funding with stop-loss truly benefits employers of all sizes.

“That’s why it’s important for us to stay involved, especially for the educational benefit we can provide. The more light we can shine on the subject, the clearer the benefits of stop-loss insurance to Nevada employers will be,” she added.

As SIIA’s delegation waits for the green light to visit the Nevada DOI in Carson City, they continue to expand their intelligence on the state’s stop-loss market.

“It will strengthen our position to receive comments about stop-loss cases from SIIA members in Nevada as well as self-insuring employers,” Brackemyre said.

SIIA members who wish to comment on these points or join the state government relations advocacy team are invited to contact Adam Brackemyre at the Washington, DC, office, (202) 463-8161 or abrackemyre@siaa.org ■

