

STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION

In Re: Stop Loss Attachment Points

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Docket No. 16-024-I

ORDER ADJUSTING STOP LOSS INSURANCE ATTACHMENT POINTS

STATEMENT OF LAW

1. Pursuant to the authority granted by law, including but not limited to that contained in 8 V.S.A. §§ 10-12, and 15, the Commissioner of the Department of Financial Regulation of the State of Vermont (the “Commissioner”) administers and enforces the insurance laws and regulations of the State of Vermont.
2. Pursuant to Title 8, including but not limited to 8 V.S.A. § 15, the Commissioner of the Department of Financial Regulation (the “DFR”) may “issue orders as shall be authorized by or necessary to the administration of [Title 8] ... and to carry out the purposes of [Title 8].”
3. DFR Regulation H-2009-02 § 4A requires that no health care stop loss insurance policy or contract be issued that has an annual attachment point for claims incurred per individual which is lower than \$20,000, or an annual aggregate attachment point for small employers that is lower than the greater of: i) \$4,000 times the number of group members; ii) 120 percent of expected claims; or iii) \$20,000.
4. Pursuant to DFR Regulation H-2009-02 § 4B, the Commissioner may adjust the dollar amounts for attachment points set forth in § 4A to reflect appropriate inflation factors and medical trends in Vermont. Adjustments to the dollar amounts must be in increments of \$100, and the Commissioner must publish any adjustments to the dollar amounts at least six months before the effective date of any such adjustment.

FINDINGS

1. The Commissioner has caused an actuarial study to be conducted of the attachment point dollar amounts for stop loss insurance policies and contracts in Vermont and, based on that study, has determined that the attachment point dollar amounts set forth in Regulation H-2009-02 § 4A require adjustment to reflect inflation and medical trends in Vermont.

ORDER

1. Pursuant to the authority granted by DFR Regulation H-2009-02 § 4B, as well as authority granted by Title 8, including but not limited to that contained in 8 V.S.A. §§ 10-12 and 15, the following ORDER is issued:
2. Based on the findings, IT IS **THEREFORE ORDERED** that each health care stop loss insurance policy or contract issued or renewed by an insurer have an annual attachment point for claims incurred per individual which is at least \$28,700;
3. Based on the findings, IT IS **THEREFORE ORDERED** that each health care stop loss insurance policy or contract issued or renewed by an insurer have an annual aggregate attachment point for small employers that is at least the greater of: i) \$5,700 times the number of covered individuals; ii) 120 percent of expected claims; or iii) \$28,700;
4. The above-ordered adjustments shall become effective January 1, 2017.

BY ORDER OF THE COMMISSIONER

Dated at Montpelier, Vermont, this 28th day of June, 2016.


Susan L. Donegan
Commissioner