



NJAHU Update on Stop Loss Bill

On Monday, March 4th, the NJ State Senate Commerce Committee voted 3 to 2 in favor of moving Bill S3270 to the floor. The identical bill, Assembly Bill A5095 has been introduced and referred to the Assembly Financial Institutions and Insurance Committee.

A link to both bills is included below as well as a synopsis. At NJAHU, we will be following this legislation and the impact to our members, businesses and consumers in the state and will provide updates on the regulation to keep our membership informed.

https://www.njleg.state.nj.us/2018/Bills/S3500/3270_I1.PDF

https://www.njleg.state.nj.us/2018/Bills/A9999/5095_I1.PDF

Synopsis

Carriers shall offer coverage to all eligible employees of small employers and their dependents and shall not exclude any employee or eligible dependent on the basis of a health status- related factor. Notwithstanding any other law to the contrary, a carrier and any other insurer that is subject to the insurance laws of New Jersey or any other state, shall not offer, issue, or renew any stop loss insurance policy of any kind to small employers 90 days following the date of enactment.

The bill amends the statutes that govern the New Jersey Small Employer Health Benefits (SEH) Program to prohibit health insurance carriers and other insurers from offering stop loss insurance policies to small employers in the State.

Stop loss insurance is designed to provide reimbursement for catastrophic, excess, or unexpected expenses, and it is used by some small employers to self-insure part of the health benefits coverage for their employees. Under current law governing the SEH, a small employer is defined to mean one that employs an average of at least two but not more than 50 employees, and the majority of the employees are employed in New Jersey.

Amendment to the bill This subsection shall not prohibit a carrier or any other insurer from offering, issuing, or renewing a stop loss insurance policy to a multiple employee welfare arrangement.