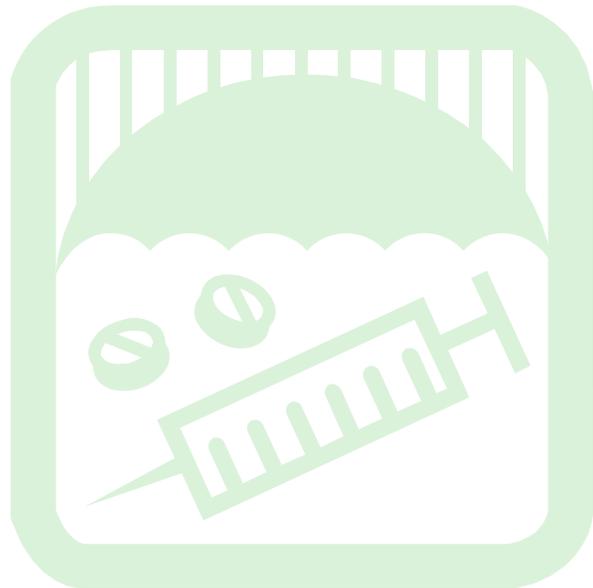


The Instant Insurance Guide:

Small Employer

Info and tips for small
employer carriers
in Delaware



Get more tips and information
about insurance from the
Delaware Department of Insurance at
www.delawareinsurance.gov

1/09

The Instant Insurance Guide: Small Employer



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From

Karen Weldin Stewart, CIR-ML

Delaware's Insurance Commissioner

1-800-282-8611

www.delawareinsurance.gov

A Message From The Delaware Department of Insurance

The Delaware Insurance Department has compiled information that includes a list of small employer carriers and their toll-free telephone numbers to assist you in locating health insurance coverage. We urge you to shop around and obtain quotes from more than one, as premium rates will vary by company. You may want to contact a local insurance producer or agency to assist you in finding coverage.

Each of the carriers on this list has the Basic and Standard Health Benefit Plans required by the Small Employer Health Insurance law on file with the Department. Most, if not all of these carriers, also offer enhanced benefit plans. Any insurance plan sold to a small employer must be guaranteed renewable and it must limit waiting periods for pre-existing conditions to no more than 12 months for new employees or 18 months for late enrollees.

Some of you are looking for coverage because your insurance company is withdrawing from the health insurance market in Delaware or because it is time for renewal and you are interested in making a change. Whatever the reason, we hope the information we have compiled for you

More Online

For additional information, and to obtain or view a copy of The Center for Medicare and Medicaid Services booklet, Protecting Your Health Insurance Coverage, the Department of Insurance website address is:

www.delawareinsurance.gov

**1-800-282-8611 toll-free in Delaware
or (302) 674-7310**

(302) 739-6278 fax

**841 Silver Lake Blvd.
Dover, DE 19904**

consumer@state.de.us

What if you did not receive a certificate, or lose one that you received?

In most cases, your first step should be to contact the plan administrator of your prior group plan. Ask for a copy of the certificate; it should be free of charge. Because some people have had creditable coverage through multiple sources, you should always check with all sources to be sure you get the credit you deserve.

If you lose your certificate, you can go back and request another one. If you did not receive a certificate, you can use other evidence to prove creditable coverage. These include pay stubs that reflect a premium deduction, explanation of benefit forms, or verification by a doctor or your former health care benefits provider that you had prior health coverage.

If you do not have internet access and would like one of the booklets, you may call Consumer Services in the Department of Insurance at (302) 674-7310 or (800) 282-8611 to obtain one.



Included in this packet are some questions and answers you might find useful along with our website address where you can link to the government site for The Centers for Medicare and Medicaid Services (CMS), formerly the Health Care Financing Administration (HCFA). There you will have access to the booklet, Protecting Your Health Insurance Coverage that explains your protections under Federal Law. For those of you who do not have internet capability, please call our office at (302) 674-7310, or 1-800-282-8611, to obtain a copy.

Health Insurance Consumer Protections

The Insurance Commissioner has no control over business decisions made by small employer carriers to withdraw from the health insurance market, nor can they be required to stay in the market. The Commissioner does have the authority to impose certain restrictions on the process by which policyholders must be notified of a withdrawal decision.

To help you understand your rights under the law, please review the following information:

Small Employer Health Insurance is renewable at the option of the small employer except for the following reasons:

- Nonpayment of the required premiums
- Fraud or misrepresentation of the small employer
- Non compliance with the carrier's minimum participation requirements
- Noncompliance with the carrier's employer contribution requirements
- Repeated misuse of a provider network provision

When a small employer carrier elects to withdraw from the small employer market, the carrier must:

- Provide notice to the Insurance Commissioner in each state in which it is licensed
- Provide written notice of the decision not to renew coverage, to all affected small employers at least 180 days prior to the nonrenewal of any health benefit plans by the carrier

What does this mean to you?

It means that if your date of renewal comes up before the 180 days notice has been satisfied, you would have longer than 180 days to find other coverage. For example: If you receive the 180 days notice of nonrenewal on November 1, 2008, and your plan comes up for renewal January 1, 2009, you would have had only 60 days notice at that time. Therefore, you could renew your coverage and would not be required to change coverage until January 1, 2010.

Who is considered a small employer?

A small employer means any person, firm, corporation, partnership or association that is actively engaged in the business that, on at least 50% of its working days during the preceding calendar quarter, employed no more than 50 employees, the majority of whom were employed within this State. The definition includes sole proprietors and self-employed individuals. Delaware law goes beyond federal law in that its definition of small employer includes groups of 1. Federal Law defines a small employer group as 2 to 50 employees.

When changing from one type of coverage to another within the same employer group, can pre-existing condition exclusions be applied to new coverage?

This would depend on how long an individual has been in the group health plan. If you signed up at the first opportunity, pre-existing condition exclusions cannot extend more than 12 months after the

enrollment date. The enrollment date is the first day on which you are able to receive benefits under the plan, or if the plan imposes a waiting period, the enrollment date is the first day of the waiting period – typically the date of hire.

If less than 12 months have passed, a pre-existing condition exclusion might be applied, but the exclusion cannot last beyond the one-year anniversary of the enrollment date.

When coverage is lost due to the insurance carrier withdrawing from the market, how long do you have to obtain new coverage in order to avoid subjecting employees to a new pre-existing condition exclusion period?

You have 63 days in which to obtain new coverage.

How do you prove you have satisfied the pre-existing condition exclusion period to a new insurance carrier?

The previous plan must provide each covered employee with a certificate of prior creditable coverage. This certificate of creditable coverage will provide proof to a new carrier that the individual had coverage by including dates of enrollment and termination. It is important to keep this certificate in a safe place. A sample copy is included in this packet.

The maximum length of a pre-existing condition exclusion period is 12 months after the enrollment date. A plan must reduce an individual's pre-existing condition exclusion period by the number of days already satisfied. However, a plan is not required to take into account any days of creditable coverage that precede a break in coverage of 63 days or more.