

Bulletin 11-07

To: Small Group Health Insurers
From: Merle Scheiber, Director
Date: October 19, 2011
Re: Small group association and trust health insurance rate filings

SDCL 58-18B-3.1 became effective 7/1/11 and requires small employer carriers to file base rates for approval before increasing its rates on small employers. While SDCL 58-18B-3.1 does not specifically address small group association plans, such plans are subject to chapter 58-18B and therefore the filing requirements of SDCL 58-18B-3.1 apply to all small employer association plans.

SDCL 58-18B-59 contains an exemption for certain associations from the rating provisions of chapter 58-18B. The exemption for associations, qualified under this section, from the rating bands in chapter 58-18B was for the express purpose of SDCL 58-18B-59. However, small employer carriers issuing association plans subject to the provisions of SDCL 58-18B-59 are still subject to and must file base premium rates for those associations as required by SDCL 58-18B-3.1.

Employer, multiple employer, and association trusts which provide coverage to small employers are also subject to rate review under SDCL 58-18B-3.1.

This Bulletin applies to all small group association and trust health insurance rate increases filed on or after the effective date of this Bulletin or to any rate increases to be effective after the date of this Bulletin for which notice has not been provided pursuant to SDCL 58-18-35.