

STOP LOSS COVERAGE

The date following each state indicates the last time information for the state was reviewed/changed.

STATE	CITATION	LINES COVERED	PROVISIONS	MINIMUM EMPLOYER RETENTION (Attachment Point)
NAIC Model	# 92-1	Not limited	File actuarial certification yearly with commissioner that company is in compliance with the Act.	\$20,000 per individual; aggregate for group of 50 or less: less than the greater of \$4,000 times the number of members, 120% of expected claims or \$20,000. For groups of 51 or more, less than 110% of expected claims.
AL (2/25)	No provision			
AK (2/25)	§ 21.42.145 Bulletin 2006-4 (2006); 2025-4 § 21.85.030	Health MEWA	Policy may not provide direct coverage of an individual.	\$10,000 per individual; aggregate for small employers: less than the greater of \$4,000 times the number of members, 120% of expected claims or \$20,000. For large employers, less than 110% of expected claims. Multiple employer welfare arrangements must maintain stop-loss insurance coverage covering 100% of claims in excess of the attachment point recommended by a qualified actuary.
AZ (2/25)	No provision			
AR (2/25)	§ 23-62-111 Bulletin 6-2008	Accident & Health, Casualty	Policy may not provide direct coverage of an individual. Requires notice to be added to all applications for stop loss insurance that the purchase of stop loss coverage is not complete protection from all liability created by the self-funded health plan.	\$20,000 per individual; aggregate for groups of 50 or less, 120% of expected claims. For groups of 51 or more, 110% of expected claims.

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CA (2/25)	§ 742.24	MEWA		Multiple employer welfare arrangements must maintain aggregate stop loss insurance with an attachment point not greater than 125% of annual expected claims, and specific stop loss insurance with an attachment point not greater than 5% of annual expected claims.
	§§ 10752; 10752.4	Small Employer Health Insurance	Policy may not provide direct coverage of an employee or dependent.	\$40,000 per individual; aggregate for groups: \$5,000 times the number of group members; 120% of expected claims; \$40,000.
CO (2/25)	§ 10-16-119	Health	Policy must be issued to insure the employer and not the employees. Payments must be made to employer and not employees.	\$15,000 per individual; 120% of expected claims in aggregate
	§ 10-16-119.5	Health	File actuarial certification yearly with commissioner that company is in compliance. Policy may not provide direct coverage of an individual.	For employer groups with 50 or fewer covered employees, has an annual attachment point for claims incurred per individual that is lower than \$20,000; has an annual aggregate attachment point lower than the greater of 120% of expected claims or \$20,000.
CT (2/25)	§ 38a-8b	Not limited	No policy may be issued unless the policy has been approved by the commissioner. Authority to adopt regulations.	
	Bulletin HC-126; HC-124	Health	Policy may not provide direct coverage of an individual.	\$20,000 per individual; aggregate for group of 50 or less: less than the greater of \$4,000 times the number of members, 120% of expected claims or \$20,000. For groups of 51 or more, less than 110% of expected claims.
DE (2/25)	§ 7218	Health	A health insurance carrier may make available, issue, or renew a stop loss policy to a small employer if that small employer employs more than 5 eligible employees, the majority of whom are employed within this state, on at least 50% of its working days during the preceding calendar quarter.	

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DC (2/25)	§ 31-3822	Health	The plan must be issued to and insure the employer, the trustee, or other sponsor of the plan, or to the plan itself, but not to the employees, members, or participants.	\$40,000 per individual; aggregate attachment point for policy shall not be less than the greater of \$5,000 times number of group members; 120% of expected claims or \$40,000.
FL (2/25)	§ 627.66997 Reg. 69O-149.0025	Small Employer Health		The coverage shall be considered health insurance if the policy has an attachment point that is lower than the greatest of \$2,000 times the number of employees, 120% of expected claims, or \$20,000. The coverage shall be considered health insurance, rather than stop loss insurance, if the policy has an attachment point for claims incurred per individual which is lower than \$20,000. For employer groups with 50 or fewer covered employees, has an aggregate attachment point which is lower than the greater of \$4,000 times the number of employees; 120% of expected claims; or \$20,000. For employer groups with 51 or more covered employees, has an aggregate attachment point which is lower than 110% of expected claims.
GA (2/25)	§ 33-50-5	MEWA	A multiple employer self-insured health plan must include aggregate and individual excess stop loss coverage provided by a licensed insurer.	The retention limits for both the aggregate excess stop loss coverage and individual excess stop loss coverage shall be determined annually by a qualified actuary based on sound actuarial principles.
HI (2/25)	HRS § 431:9J-101	Third Party Administrators	An insurance protecting an employer or other person responsible for an otherwise self-insured health or life benefit plan against obligations under the plan but does not include reinsurance written for an insurance company.	

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ID (2/25)	§§ 41-4005; 41-4010	Self-Funded Health Care Plans	Application for registration of a self-funded plan shall include a copy of a stop loss insurance agreement providing both specific and aggregate coverage in an amount as annually indicated in the actuarial opinion for the plan. The director may waive this requirement if such coverage is not reasonably available or otherwise deemed appropriate.	A self-funded plan shall establish and maintain in its trust fund surplus equal to at least 3 months of contributions for the current plan or 110% of the difference between the total dollar aggregate stop-loss attachment point plus costs of operation and total dollar expected contributions for the current plan year.
IL (2/25)	215 ILCS § 5/352	Health	Policy must be issued to and insure employer, trustee, or other sponsor of the plan, or the plan itself, but not employees, members, or participants.	
IN (2/25)	760 IAC 1-68-2	MEWA	MEWA, other than a dental or vision only MEWA, must possess a written policy for stop loss insurance issued by an insurer authorized to do business in this state.	Aggregate retention of not more than 125% of the amount of expected claims for the next plan year and a specific retention amount annually determined by an actuarial report.
	27-16-8-4	PEO	If a PEO offers to the PEO's covered employees a health benefit plan that is not fully insured by an insurer, the health benefit plan must at the discretion of the commissioner, possess a written commitment, binder, or policy for stop loss insurance.	
	760 IAC 1-73-7	PEO		

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IA (2/25)	IAC 191-77.3(507A)	MEWA		MEWAs shall have aggregate excess stop loss coverage with an attachment point which is not greater than 120% of actuarially projected losses. MEWAs shall establish and maintain specific stop loss coverage with an attachment point which is not greater than 5% of annual expected claims and shall provide for adjustments in the amount of that percentage as determined by sound actuarial principles.
KS (2/25)	K.A.R. 40-1-49	Small Employer Group Health	Each stop loss or excess loss policy shall contain a provision that the bankruptcy or insolvency of the plan or plan's sponsor does not relieve the stop loss or excess loss insurer from its obligation to pay claims under the stop loss or excess loss policy.	\$10,000 per individual; aggregate not less than 120% of expected claims.
KY (2/25)	Reg. 806 KAR 11:020; § 304.17A-812	MEWA	Policy form for stop loss coverage must be filed with application of registration.	
LA (2/25)	§ 22:883	Health & Accident; P&C	Policy form for stop loss coverage must be approved by the department.	\$10,000 per individual; aggregate not less than 120% of expected claims for groups of 50 or less; not less than 110% for groups of 50 or more. Managed care stop loss contracts shall have individual attachment point of at least \$5,000 and aggregate of at least \$50,000 per calendar year.
	§ 22:459	Group Self-Insurers	The self-insurer shall possess a written commitment, binder, or policy for stop loss insurance issued by an insurer authorized to do business in this state	Both specific and aggregate coverage with an aggregate retention of not more than 125% of the amount of expected claims for the next plan year and a specific retention amount annually determined by the actuarial opinion.

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ME (2/25)	Rule 135 § 5(6) 24-A M.R.S.A. § 707	Health Health; P&C	Pursuant to 24-A M.R.S. § 2849-B(7), an insurer may only offer or renew an employee benefit excess insurance policy when the underlying benefit plan meets the requirements of continuity of coverage in Title 24-A, Chapter 36.	Stop loss is insurance protecting an employer against higher than expected obligations under an employee benefit plan, at retention levels that do not have the effect of making the plan an insured plan.
MD (2/25)	Ins. § 15-129	Health	Insurer that offers stop loss coverage with lower attachment points is subject to sanctions.	Specific attachment point of not less than \$22,500 or aggregate attachment point of not less than 120% of expected claims.
MA (2/25)	No provision			
MI (2/25)	Mich. Admin. Code R. 500.821 to 500.824	MEWA	MEWAs must have stop loss coverage with a retention level of not more than \$25,000 or an amount demonstrated not to be detrimental to the MEWA's solvency.	
MN (2/25)	§ 60A.235 §§ 62H.11; 62H.14	Small Employer Group Health MEWA	Set standards for determining whether a policy is a stop loss or health insurance policy. A policy that provides direct coverage of health care expenses is a health policy. File actuarial certification yearly with commissioner that company is in compliance. Insurer that issues specific or aggregate stop-loss coverage, shall file with the commissioner required information within 30 days after the coverage is issued or within 30 days after the date the reportable MEWA provides coverage.	Specific attachment point for claims incurred less than \$20,000 per individual. Aggregate attachment point lower than 110% of expected claims.

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MS (2/25)	No provision			
MO (2/25)	§§ 376.1010 to 376.1065	MEWA	A MEWA must maintain aggregate and individual stop loss coverage.	
MT (2/25)	No provision			
NE (2/25)	§ 44-7609	MEWA	A MEWA offering a health benefit plan that is not fully insured shall be a named insured under a stop loss insurance policy by an insurer licensed to transact the business of insurance in this state.	125% of the MEWAs expected health claim costs as determined on an aggregate basis.
NV (2/25)	NAC §§ 689B.350; 689C.250; 695B.250	Group Health; Health	Meets definition of a stop loss policy if meets retention level. Policy may not provide direct coverage of an individual.	\$10,000 per individual; aggregate for groups of 50 and less that is lower than the greater of the number in the group times \$4,000, or 120% of expected claims or \$10,000. For groups of more than 50, attachment point must be 110% of expected claims.
NH (2/25)	§§ 415-H:1 to 415-H:5; N.H. Code Admin. R. Ins. 4401.05	Health	File actuarial certification yearly with commissioner that company is in compliance. Policy may not provide direct coverage of an individual.	\$31,000 per individual; aggregate for group of 50 or less: less than the greater of \$6,200 times the number of members, 120% of expected claims, or \$31,000; for groups of 51 or more: less than 110% of expected claims.
	N.H. Code Admin. R. Ins. 4105.01 to 4105.07	Accident & Health	Insurance Rate Submissions: Requirements for Group Stop Loss Insurance	

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NJ (2/25)	N.J.S.A. 17B:27A-17	Small Employer Group Health	"Stop loss" or "excess risk insurance" means an insurance policy designed to reimburse a self-funded arrangement of one or more small employers for catastrophic, excess or unexpected expenses, wherein neither the employees nor other individuals are third party beneficiaries under the insurance policy.	\$20,000 per person, aggregate no less than 125% of expected claims.
	N.J.A.C. 11:4-40.2	Health		"Stop loss" or an "excess risk insurance" means insurance designed to reimburse a self-funded arrangement for catastrophic and unexpected expenses exceeding specified per person retention limits of no less than \$20,000 per year and/or aggregate retention limits of no less than 110% of expected claims per year.
	N.J.S.A. 17B:27C-5	MEWA		A self-funded MEWA shall maintain aggregate stop loss coverage, with a retention level of 125% of expected claims per year, including provisions to cover incurred, unpaid claims liability in the event of the termination or liquidation of the self-funded MEWA, and specific stop loss coverage, with a retention level determined annually by a qualified actuary based on sound actuarial principles.
	Bulletin 03-16	Unlicensed MEWAs, PEOs, and Out of State Trusts	These plans are considered "illegal health insurance plans" within the state of New Jersey. Insurers and third party administrators may not issue stop loss coverage for these plans.	
NM (2/25)	N.M. Admin Code 13.19.4.16	MEWA	Each self-funded MEWA transacting business in this state shall file annually with the superintendent statements and report its compliance. The actuarial opinion shall include the recommended level of specific and aggregate stop-loss insurance the MEWA arrangement should maintain.	

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NY (2/25)	Ins. Law § 4237-a 11 NYCRR 360.9 Circular Letter No. 1982-7 (April 13, 1982) Ins. Law § 4707	Accident & Health Insurers Health Municipal Cooperative Health Benefit Plans	Insurer licensed to do health insurance business may issue stop loss coverage. Insurers are prohibited from issuing stop loss coverage to a group that would have been subject to the individual or small group rating laws in Insurance Law §§ 3231 and 4317. Stop loss coverage should be considered health insurance, not liability insurance. It must be placed by a licensed insurer. The governing board of a municipal cooperative health benefit plan shall obtain and maintain on behalf of the plan a stop-loss insurance policy issued by a licensed insurer.	Superintendent may adopt regulation establishing financial standards. Aggregate stop-loss insurance policy must have an annual aggregate retention amount or attachment point not greater than 125% of expected claims. A specific stop-loss policy must have a specific retention amount or attachment point not greater than 4% of expected claims. Superintended may waive the requirement for stop-loss insurance, in whole or part, or otherwise modify the required attachment points.
NC (2/25)	§ 58-50-130 Bulletin 03-B-2	Small Employer Group Health Unlicensed MEWAs, PEOs, and Out of State Trusts	 These plans are considered “illegal health insurance plans” within the state of North Carolina. Insurers and third party administrators may not issue stop loss coverage for these plans.	An insurer shall not issue a stop loss health insurance policy to any small employer group health organization that (a) has an annual attachment point for claims incurred per individual that is lower than \$20,000 for plan years beginning in 2013, for subsequent policy years, the amount shall be indexed using the Consumer Price Index; or (b) has an annual aggregate attachment point lower than 120% of expected claims or \$20,000 for plan years beginning in 2013, for subsequent policy years, the amount shall be indexed using the Consumer Price Index.

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ND (2/25)	§ 45-06-14-13	MEWA		A multiple employer welfare arrangement may not retain liability on any one incident of more than 10% of its annual premium volume, plus 20% of its surplus. The arrangement must purchase stop loss insurance for liability exposure.
OH (2/25)	§ 1739.12	MEWA	As a condition for maintaining a certificate of authority, a MEWA must purchase stop loss coverage. The retention may be no more than 5% of aggregate premium up to \$1 million and 2.5% of premium above that amount.	The arrangement also shall purchase aggregate stop loss insurance with a deductible retention of no more than 125% of its projected claims.
OK (2/25)	36 Okl.St. Ann. § 637 Bulletin LH 2018-02 & PC 2018-02 36 Okl.St. Ann. § 7401	MEWA Accident & Health; P&C Small employers	Each MEWA shall file with the insurance commissioner a copy of the MEWA's stop loss agreement. The commissioner shall have the authority to waive the requirements for aggregate stop loss coverage if deemed appropriate.	Must provide both specific and aggregate coverage with an aggregate retention of no more than 125% of the expected claims for the next plan year and have a specific retention amount as annually indicated in the actuarial opinion. The individual stop loss amount, (i.e. retention or attachment point), must be at least \$10,000. The aggregate stop loss amount, (i.e. retention or attachment point), shall be, at a minimum, 110% of expected paid claims. Any stop loss insurance coverage issued by an insurer authorized to do business in this state that provides an aggregate retention benefit shall provide an aggregate retention of no less than 110% of the expected claims. The insurance commissioner shall develop minimum disclosure standards that can be incorporated into a form that shall be utilized by insurers issuing stop loss insurance coverage to small employers.
OR (2/25)	§ 742.065	Health (may be considered casualty insurance)	Stop loss policy must insure employer or plan and payments must be made to employer or plan.	\$10,000 per person; or aggregate of no less than 120% of expected claims.

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PA (2/25)	31 Pa. Code §§ 89.471 to 89.474	Accident & Health	Stop loss policy must insure employer or plan and payments must be made to employer or plan. Insurer responsible for determining that the underlying plan is a single employer self-funded plan and not a MEWA.	\$10,000 per individual; minimum aggregate of \$100,000 per calendar year.
PR (2/25)	No provision			
RI (2/25)	§§ 27-8.2-1 to 27-8.2-5	Health	File actuarial certification yearly with commissioner that company is in compliance. Policy may not provide direct coverage of an individual.	\$20,000 per individual; aggregate no less than 120% of expected claims.
SC (2/25)	§ 38-41-50; Reg. 69-42 Att’y Gen. Op. April 1, 2003 (2003 WL 21043488); § 40-68-120	MEWA Staff Leasing Company	Plan must be approved by commissioner, who will scrutinize retention amounts. Plan shall include aggregate excess stop loss coverage and individual excess stop loss coverage provided by an insurer licensed by the state. Section 40-68-120(F) prohibits a client company from implementing a self-funded medical plan which contains a "stop loss" provision where an insurance carrier indemnifies 100% of the risk of the sponsoring employer.	

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SD (2/25)	§ 58-18B-35	Health	Director specifically prohibited from promulgating regulations that affect stop loss coverage for self-insured plans.	A multiple employer trust shall have at all times aggregate excess stop-loss coverage with an attachment point not greater than (a) 120% of the actuarially projected losses on a calendar-year basis, or (b) 5% of annual expected claims to be adjusted as necessary by sound actuarial principles.
	§ 58-33-107	Health	No insurer may issue a stop loss policy unless the insurer discloses clearly and conspicuously to the employer, in writing the following: (1) the employer is not covered for claims below the stop loss attachment point; (2) a description of the attachment point, including the specific and aggregate attachment points; and (3) the insurer provides no other coverage of the employer's retention.	
	§ 20:06:57:08	METs		

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TN (2/25)	Bulletin dated 7/1/94; superseded by Bulletin dated 10/18/1995 Tenn. Comp. R. & Regs. 0780-01-76-.04	Health MEWA	Stop loss coverage must be written by licensed insurers. Stop loss coverage is not “reinsurance.” The department must approve all policies. Policies issued to cover less than the threshold amounts are group health coverage.	\$10,000 per person; with an aggregate attachment point of 120% of expected claims for the entire plan for one contract year. The MEWA shall maintain both specific and aggregate stop loss insurance coverage covering 100% of claims in excess of the attachment points recommended by a qualified actuary.
TX (2/25)	I.C. § 846.053 28 TAC § 13.567 Bulletin B-0032-03	MEWA PEO Unlicensed MEWAs, PEOs, Association Insurance Plans, and Union Insurance Plans	MEWA must possess a written policy for stop loss insurance issued by an insurer authorized to do business in this state. These plans are considered “illegal health insurance plans” within the state of Texas. Insurers and third party administrators may not issue stop loss coverage for these plans.	Must provide both specific and aggregate coverage of not more than 125% of the amount of expected claims for the next plan year and a specific retention amount annually determined by the actuarial opinion. The plan and trust must maintain specific and aggregate stop loss insurance that is not less than the recommended minimum level included in the annual actuarial opinion. An aggregate retention of no more than 125% of the amount of expected claims for the subsequent plan year and the specific retention amount as determined by the actuarial opinion. The commissioner may waive or reduce the requirement for aggregate stop loss insurance.
UT (2/25)	§§ 31A-43-101 to 31A-43-304	Small Employer Group Health	Insurer shall file the stop loss insurance contract and rate methodology with the commissioner. Stop loss insurance is not “reinsurance.”	Have an annual specific attachment point that is at least \$10,000; have an annual aggregate attachment point not less than 85% of expected claims.

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VT (2/25)	Regulatory Activity Regulation H-2009-02 (Revised) § 1 Dated 4-14-2021	Health Care Stop Loss Insurance	Required disclosure provisions. Policy may not provide direct coverage of health care expenses of an individual.	Each health care stop loss insurance policy issued or renewed by an insurer must: (a) Have an annual attachment point for claims incurred per individual which is at least \$33,200 or \$40,000 for employers with 25 or fewer employees; (b) Have an annual aggregate attachment point of at least the greater of 120% of expected claims or \$33,200 for employers with more than 25 employees; (c) Have an annual aggregate attachment point of at least the greater of 120% of expected claims or \$40,000 for employers with fewer than 25 employees; (d) Have an annual aggregate attachment point, for any groups other than Small Employers, that is at least 110% of expected claims.
VI (2/25)	22 V.I.C. § 1521	Third Party Administrators	Insurance protecting an employer or other person responsible for an otherwise self-insured health or life benefit plan against obligations under the plan, but ‘stop-loss insurance’ does not include reinsurance written for an insurance company.	
VA (2/25)	No provision			

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WA (2/25)	§ 48.21.015 § 48.125.040	Health MEWA	Stop loss policy must insure employer or plan and payments must be made to employer or plan.	Aggregate attachment point no less than 120% of expected claims; individual point may not be less than 5% of the expected claims or \$100,000, whichever is less. Self-funded multiple employer welfare arrangements with fewer than 1,000 covered persons are required to have aggregate stop loss coverage, with an attachment point of 125% of expected claims. If the arrangement is allowed to assess the participating employers to cover actual or projected claims in excess of plan assets, then the attachment point shall be increased by the amount of the allowable assessments. If the required attachment point exceeds 175% of expected claims, aggregate stop loss coverage shall be waived. Arrangements with 1,000 covered persons or more are not required to have aggregate stop loss coverage.
WV (2/25)	No provision			
WI (2/25)	Bulletin Dated June 4, 2003	Unlicensed MEWAs, PEOs, Out of State Trusts, Collective Bargaining Plans	These plans are considered “illegal health insurance plans” within the state of Wisconsin. Insurers and third party administrators may not issue stop loss coverage for these plans.	

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WY (2/25)	Ch. 71 § 5	MEWAs	A MEWA intending to offer a fully insured health benefit plan or a self-insured benefit plan shall be licensed by the Department. MEWAs shall provide with the application evidence of stop-loss insurance coverage, and an actuarial opinion from a qualified actuary as to the loss and loss expense reserves. Documentation from a stop-loss carrier that has reviewed and approved a MEWA's contribution levels and loss reserves may be accepted in lieu of the qualified actuary statement.	

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.