

**513B.3 Applicability and scope.**

[This subchapter](#) applies to a health benefit plan providing coverage to the employees of a small employer in this state if any of the following apply:

1. Any portion of the premium or benefits is paid by or on behalf of the small employer.
2. An eligible employee or dependent is reimbursed in any manner by or on behalf of the small employer for any portion of the premium or benefits.
3. The health insurance coverage is treated by the employer or any of the eligible employees or dependents as part of a coverage or program for the purposes of section 106, 125, or 162 of the Internal Revenue Code as defined in [section 422.3](#).
4.
  - a. Except as provided in paragraph “b”, for purposes of [this subchapter](#), carriers that are affiliated companies or that are eligible to file a consolidated tax return shall be treated as one carrier and any restrictions or limitations imposed by [this subchapter](#) shall apply as if all health insurance coverages delivered or issued for delivery to small employers in this state by such carriers were issued by one carrier.
  - b. An affiliated carrier which is a health maintenance organization possessing a certificate of authority issued pursuant to [chapter 514B](#) shall be considered to be a separate carrier for the purposes of [this subchapter](#).
  - c. Unless otherwise authorized by the commissioner, a small employer carrier shall not enter into one or more ceding arrangements with respect to health insurance coverages delivered or issued for delivery to small employers in this state if the arrangements would result in less than fifty percent of the insurance obligation or risk for such health insurance coverages being retained by the ceding carrier.

[91 Acts, ch 244, §3; 92 Acts, ch 1167, §2; 97 Acts, ch 103, §12, 13](#)