

191—75.5(513C) Transition for assumptions of business from another carrier or ODS.**75.5(1) Transfer or assumption of insurance obligation.**

a. A carrier or ODS shall not transfer or assume the entire insurance obligation or risk of a health benefit plan covering a block of business in this state unless the transaction has been approved by the commissioner of the state of domicile of the ceding carrier or ODS.

b. A carrier domiciled in this state that proposes to assume or cede the entire insurance obligation or risk or one or more blocks of business from another carrier or ODS shall make a filing for approval with the commissioner at least 60 days prior to the date of the proposed assumption. The commissioner may approve the transaction upon a finding that the transaction is in the best interests of the individuals insured under the health benefit plans to be transferred and is consistent with the purposes of Iowa Code chapter 513C and this chapter.

c. The filing required under paragraph 75.5(1) “*b*” shall:

(1) Describe the block of business, including any eligibility requirements, of the ceding carrier or ODS from which the health benefit plans will be ceded;

(2) Describe whether the assuming carrier or ODS will maintain the assumed health benefit plans as a separate block of business, pursuant to 75.5(3), or will incorporate them into an existing block of business, pursuant to 75.5(4). If the assumed health benefit plans will be incorporated into an existing block of business, the filing shall describe the block of business of the assuming carrier into which the health benefit plans will be incorporated;

(3) Describe whether the health benefit plans being assumed are currently available for purchase by individuals;

(4) Describe the potential effect of the assumption on the benefits provided by the health benefit plans to be assumed;

(5) Describe the potential effect of the assumption on the premiums for the health benefit plans to be assumed;

(6) Describe any other potential material effects of the assumption on the coverage provided to the individuals covered by the health benefit plans to be assumed; and

(7) Include any other information required by the commissioner.

d. A carrier or ODS required to make a filing under 75.5(1) “*b*” shall also make an informational filing with the commissioner of each state in which there are individual health benefit plans that would be included in the transaction. The informational filing to each state shall be made concurrently with the filing made under 75.5(1) “*b*” and shall include at least the information specified in 75.5(1) “*c*”(1) for the individual health benefit plans in that state.

e. A carrier or ODS shall not transfer or assume the entire insurance obligation or risk of a health benefit plan covering an individual in this state unless it complies with the following provisions:

(1) The carrier or ODS has provided notice to the commissioner at least 60 days prior to the date of the proposed assumption. The notice shall contain the information specified in 75.5(1) “*c*” for the health benefit plans covering individuals in this state.

(2) If the assumption of a block of business would result in the assuming carrier or ODS being out of compliance with the limitations related to premium rates contained in Iowa Code section 513C.5, the assuming carrier shall make a filing with the commissioner pursuant to section 513C.5 seeking suspension of the application of section 513C.5.

(3) An assuming carrier or ODS seeking suspension of the application of Iowa Code section 513C.5 shall not complete the assumption of health benefit plans covering individuals unless the commissioner grants the suspension requested pursuant to 75.5(1) “*e*”(2).

(4) Unless a different period is approved by the commissioner, a suspension of the application of Iowa Code section 513C.5 shall, with respect to an assumed block of business, be for no more than 15 months and, with respect to each individual, last only until the anniversary date of such individual’s coverage. With respect to an individual this period may be extended beyond its first anniversary date for a period of up to 12 months if the anniversary date occurs within 3 months of the date of assumption of the block of business.

75.5(2) Except as provided in subrule 75.5(1), a carrier or ODS shall not cede or assume the entire insurance obligation or risk for a health benefit plan, other than reinsurance, unless the carrier cedes to the assuming carrier the entire block of business that includes such health benefit plan, unless otherwise approved by the commissioner.

75.5(3) The commissioner may approve a longer period of transition upon application of a carrier or ODS. The application shall be made within 60 days after the date of assumption of the block of business and shall clearly state the justification for a longer transition period.

75.5(4) Nothing in this rule or in Iowa Code chapter 513C is intended to:

a. Reduce or diminish any legal or contractual obligation or requirements, including any obligation provided in Iowa Code chapters 521 and 521B, of the ceding or assuming carrier or ODS related to the transaction;

b. Authorize a carrier or ODS that is not admitted to transact the business of insurance in this state to offer health benefit plans in this state; or

c. Reduce or diminish the protections related to an assumption reinsurance transaction provided in Iowa Code chapters 521 and 521B or otherwise provided by law.