

**WEST VIRGINIA
SECRETARY OF STATE
BETTY IRELAND
ADMINISTRATIVE LAW DIVISION**

Form #7

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Filing Date

FILED

2006 AUG 30 A 9:57

OFFICE WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF AN EMERGENCY RULE

AGENCY: Offices of the Insurance Commissioner TITLE NUMBER: 114

CITE AUTHORITY WV Code §§33-2-10, 33-16F-3 & 33-16F-5

EMERGENCY AMENDMENT TO AN EXISTING RULE: YES _____ NO X

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

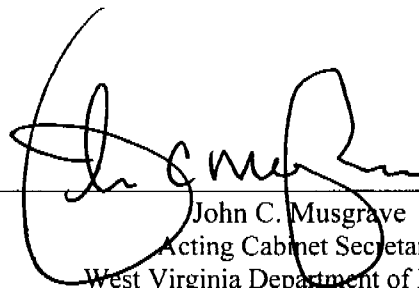
IF NO, SERIES NUMBER OF RULE BEING FILED AS AN EMERGENCY: 79

TITLE OF RULE BEING AMENDED: Group Limited Health Benefits Plans

THE ABOVE RULE IS BEING FILED AS AN EMERGENCY RULE TO BECOME EFFECTIVE AFTER APPROVAL BY SECRETARY OF STATE OR 42ND DAY AFTER FILING, WHICHEVER OCCURS FIRST.

THE FACTS AND CIRCUMSTANCES CONSTITUTING THE EMERGENCY ARE AS FOLLOWS:

PLEASE SEE ATTACHED



John C. Musgrave
Acting Cabinet Secretary
West Virginia Department of Revenue

Use additional sheets if necessary

**Title 114, Series 78 - Emergency Rule
Individual Limited Health Benefits Plans**

FACTS AND CIRCUMSTANCES CONSTITUTING THE EMERGENCY:

H.B. 4847 (RS 2006) provides: "The Commissioner shall promulgate emergency rules pursuant to the provisions of section fifteen, article three, chapter twenty-nine-a of this code on or before the first day of September, two thousand six, to prescribe requirements regarding ratemaking, which may include rules establishing loss ratio standards for group plans; to place further limitations on the eligibility of classes of employees or employees within a group; to determine benefits that must be included in such group plans, except that the Commissioner may not exclude from coverage any benefits mandated by federal law; and to provide for any other matters deemed necessary to further the intent of this article." (W.Va. Code 33-16F-5(a)) This emergency rule is being proposed in order to meet the requirements of this newly enacted code section.

QUESTIONNAIRE

(Please include a copy of this form with each filing of your rule: Notice of Public Hearing or Comment Period, Proposed Rule, and if needed, Emergency and Modified Rule.)

DATE: August 30, 2006

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: OFFICE OF THE INSURANCE COMMISSIONER
ATTN: Legal Division
1124 Smith Street
Post Office Box 50540
Charleston, West Virginia 25305-0540

EMERGENCY RULE TITLE: GROUP LIMITED HEALTH BENEFIT PLANS -
Title 114, Series 79

1. Date of Filing:

August 30, 2006.

2. Statutory authority for promulgating emergency rule:

H.B. 4847 (RS 2006) provides: "The Commissioner shall promulgate emergency rules pursuant to the provisions of section fifteen, article three, chapter twenty-nine-a of this code on or before the first day of September, two thousand six, to prescribe requirements regarding ratemaking, which may include rules establishing loss ratio standards for group plans; to place further limitations on the eligibility of classes of employees or employees within a group; to determine benefits that must be included in such group plans, except that the Commissioner may not exclude from coverage any benefits mandated by federal law; and to provide for any other matters deemed necessary to further the intent of this article." (W.Va. Code 33-16F-5(a))

3. Date of filing of proposed legislative rule:

June 5, 2006.

- 4. Does the emergency rule adopt new language or does it amend or repeal a current legislative rule?**

New language (mirroring the agency approved legislative rule filed on July 27, 2006).

- 5. Has the same or similar emergency rule previously been filed and expired?**

No.

- 6. State, with particularity, those facts and circumstances which make the emergency rule necessary for the immediate preservation of public peace, health, safety and welfare.**

N/A

- 7. If the emergency rule was promulgated in order to comply with a time limit established by the Code or federal statute or regulation, cite the Code provision, federal statute or regulation and time limit established therein.**

H.B. 4847 (RS 2006) provides that "The Commissioner shall promulgate emergency rules pursuant to the provisions of section fifteen, article three, chapter twenty-nine-a of this code on or before the first day of September, two thousand six, ..." (W.Va. Code 33-16F-5(a))

- 8. State, with particularity, those facts and circumstances which make the emergency rule necessary to prevent substantial harm to public interest.**

N/A

Insurance Commissioner
Emergency Rule
Title 114, Series 79

GROUP LIMITED HEALTH BENEFITS PLANS

TITLE 114, SERIES 79

BRIEF SUMMARY OF EMERGENCY RULE

H.B. 4847 (RS 2006) authorized the Insurance Commissioner to approve group limited benefit health insurance plans which are exempt from certain state mandated benefit requirements. The plans are available only to cover part-time, temporary or seasonal employees that are either ineligible for coverage under any of their employer's group health benefits plans or are employed by an employer that does not offer a group health benefits plan to any of its employees. Rates and forms are subject to the commissioner's approval and rules regarding ratemaking, definition of eligible individuals, determination of benefits and other matters are authorized. This rule fulfills the Commissioner's responsibility in that regard.

Insurance Commissioner
Emergency Rule
Title 114, Series 79

GROUP LIMITED HEALTH BENEFIT PLANS

TITLE 114, SERIES 79

STATEMENT OF CIRCUMSTANCES

H.B. 4847, which was enacted during the 2006 regular legislative session, specifically provided that the "Insurance Commissioner shall promulgate emergency rules on or before the first day of September, 2006, to prescribe requirements regarding ratemaking, which may include rules establishing loss ratio standards for group plans; to place further limitations on the eligibility of classes of employees or employees within a group; to determine benefits that must be included in such group plans, except that the Commissioner may not exclude from coverage any benefits mandated by federal law; and to provide for any other matters deemed necessary to further the intent of this article." This emergency rule mirrors the agency-approved legislative rule filed on July 27, 2006.

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Group Limited Health Benefit Plans (Title 114 - Series 79)

Type of Rule: Legislative Interpretive Procedural Emergency

Agency: Insurance Commissioner

Address: Post Office Box 50540
1124 Smith Street, Greenbrooke Building
Charleston, West Virginia 25305-0540

Phone Number: (304) 558-0401 Email: _____

Fiscal Note Summary

Summarize in a clear and concise manner what impact this measure will have on costs and revenues of state government.

The Insurance Commission believes it can administer this new insurance program within its existing manpower and physical capabilities.

Fiscal Note Detail

Show over-all effect in Item 1 and 2 and, in Item 3, give an explanation of Breakdown by fiscal year, including long-range effect.

FISCAL YEAR			
Effect of Proposal	Current Increase/Decrease (use "-")	Next Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost	None	None	None
Personal Services	None	None	None
Current Expenses	None	None	None
Repairs & Alterations	None	None	None
Assets	None	None	None
Other	None	None	None
2. Estimated Total Revenues	None	None	None

3. **Explanation of above estimates (including long-range effect):**

Please include any increase or decrease in fees in your estimated total revenues.

The Insurance Commission already approves rates and forms for insurance products and it will be able to perform a similar function with regard to this program without additional resources. The proposed plan is exempt from premium tax and so it will not generate additional revenue.

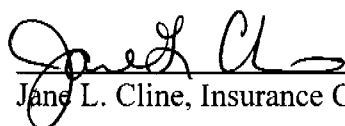
MEMORANDUM

Please identify any areas of vagueness, technical defects, reasons the proposed rule **would not** have a fiscal impact, and/or any special issues **not** captured elsewhere on this form.

None.

Date: August 30, 2006

Signature of Agency Head or Authorized Representative



Jane L. Cline, Insurance Commissioner

114CSR79

**EMERGENCY RULE
OFFICES OF THE INSURANCE COMMISSIONER**

**SERIES 79
GROUP LIMITED HEALTH BENEFITS PLANS**

Section

- 114-79-1. General.
- 114-79-2. Applicability.
- 114-79-3. Definitions.
- 114-79-4. Rate Filing.
- 114-79-5. Form Filing.
- 114-79-6. Eligibility.
- 114-79-7. Benefits.
- 114-79-7. Severability.

EMERGENCY RULE
OFFICES OF THE INSURANCE COMMISSIONER 2006 AUG 30 A 9:57

SERIES 79
GROUP LIMITED HEALTH BENEFITS PLANS OFFICE WEST VIRGINIA
SECRETARY OF STATE

§114-79-1. General.

1.1. Scope -- This rule establishes guidelines and procedures under which the Commissioner may approve group limited health benefit plans.

1.2. Authority -- W. Va. Code §§33-2-10, 33-16F-3 and 33-16F-5.

1.3. Filing. -- August 30, 2006.

1.4. Effective Date. --

§114-79-2. Applicability.

2.1. This rule applies to all group limited health benefit plans issued pursuant to article sixteen-f, chapter thirty-three of the West Virginia Code and to all insurers offering such plans as of the effective date of this rule. This rule does not apply to policies defined as an "excepted benefit" in W. Va. Code § 33-16-1a(2).

§114-79-3. Definitions.

3.1. "Commissioner" means the West Virginia Insurance Commissioner.

3.2. "Group limited health benefits plan" means a plan as defined in W. Va. Code §33-16F-2.

3.3. "Part-time employee" is an employee who is employed to work less than the number of hours each week that is worked by a full time employee at the employer's business. An insurer may set limits for hours a part time employee may work and be eligible for its group limited health benefits plan.

3.4. "Seasonal employee" is an employee who is employed to work less than the full calendar year at an employment activity that is determined by seasonal or calendar changes.

3.5. "Temporary employee" is an employee whose term of employment has a defined time of termination that is less than permanent.

§114-79-4. Rate Filing.

**Offices of the Insurance Commissioner
Emergency Rule
Title 114, Series 79**

4.1. All of the provisions of 114CSR26 apply to group limited health benefits plans except 114CSR26-1.

§114-79-5. Form Filing.

5.1. All of the provisions of 114CSR67 apply to group limited health benefit plans.

§114-79-6. Eligibility.

6.1. A group limited health benefits plan may only cover employees in a class of employees that comprises part-time, temporary or seasonal employees that (i) are ineligible for coverage under any of the employer's group health benefits plans, or (ii) are employed by an employer that does not offer a group health benefits plan to any of its employees.

§114-79-7. Benefits.

7.1. Every policy issued hereunder shall have an annual maximum benefit of at least three thousand dollars per covered person. The annual maximum benefit may hereafter be changed by order of the Commissioner.

7.2. Every policy issued hereunder shall provide benefits for at least the following services:

- a. Emergency care.
- b. Hospital benefits, including physician services while in the hospital.
- c. Outpatient benefits, including lab and diagnostics.
- d. Preventive care benefits.
- e. Primary care benefits.

7.3. Every policy that does not cover prescription benefits as part of its basic coverage shall offer prescription benefits coverage as an option.

§114-79-8. Severability.

8.1. If any provision of this rule is held invalid, the remainder of the rule shall not be

**Offices of the Insurance Commissioner
Emergency Rule
Title 114, Series 79**

affected thereby.