

**Kansas Administrative Regulations  
Agency 40. Insurance Department  
Article 1. General**

**40-1-49. Stop loss or excess loss insurance; policy standards.**

(a) As used in these regulations, these terms shall have the following meanings:

(1) "Aggregate attachment point" means the dollar amount per plan beyond which the carrier issuing the policy assumes some or all of the plan's liability for payment of covered services or benefits.

(2) "Expected claims" means the amount of covered claims under the plan that is projected to be incurred by a policyholder under the plan.

(3) "Specific attachment point" means the dollar amount per person or participant, for each policy year beyond which the carrier issuing the insurance coverage assumes some or all of the plan's liability for payment of covered services or benefits.

(b) Each insurer or other entity licensed to sell insurance in this state shall comply with the following requirements for stop loss or excess loss insurance issued to a small employer as defined by K.S.A. 40-2209d(u), and amendments thereto:

(1) Each stop loss or excess loss policy shall be issued to and shall insure the plan or the plan's sponsor, not the individual participants.

(2) Payment by the insurer shall be made to the plan's sponsor or the policyholder, not the employees, members, participants, or providers.

(3) The specific attachment point for stop loss or excess loss coverage shall be no less than \$10,000 per covered person or individual participant.

(4) The aggregate attachment point for stop loss or excess loss coverage shall be no less than 120 percent of expected claims.

(5) 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.

(6) In the case of incurred basis stop loss or excess loss coverage, the claims settlement period shall be no less favorable than a period in which claims are incurred in 12 months and paid in 13 months.

(c) Any stop loss or excess loss insurance policy not in compliance with this regulation shall be disapproved for sale or issue in this state.

(Authorized by K.S.A. 40-103 and 40-2201(b); implementing K.S.A. 40-2201(b); effective Oct. 18, 2002.)