

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

S

1

SENATE BILL 218

Short Title: Increase Access for Small Employers/Insurance. (Public)

Sponsors: Senators Johnson, Galey, and Moffitt (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 3, 2025

A BILL TO BE ENTITLED
AN ACT INCREASING SMALL EMPLOYER ACCESS TO STOP LOSS, CATASTROPHIC,
AND REINSURANCE COVERAGE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-50-130(a)(5) reads as rewritten:

"(5) No small employer carrier, insurer, subsidiary of an insurer, or controlled individual of an insurance holding company shall provide stop loss, catastrophic, or reinsurance coverage to small employers who employ fewer than ~~12~~five eligible employees that does not comply with the underwriting, rating, and other applicable standards in this Act. An insurer shall not issue a stop loss health insurance policy to any person, firm, corporation, partnership, or association defined as a small employer that does any of the following:

- a. Provides direct coverage of health expenses payable to an individual.
- b. Has an annual attachment point for claims incurred per individual that is lower than twenty thousand dollars (\$20,000) for plan years beginning in 2013. For subsequent policy years, the amount shall be indexed using the Consumer Price Index for Medical Services for All Urban Consumers for the South Region and shall be rounded to the nearest whole thousand dollars. The index factor shall be the index as of July of the year preceding the change divided by the index as of July 2012.
- c. Has an annual aggregate attachment point lower than the greater of one of the following:
 1. One hundred twenty percent (120%) of expected claims.
 2. Twenty thousand dollars (\$20,000) for plan years beginning in 2013. For subsequent policy years, the amount shall be indexed using the Consumer Price Index for Medical Services for All Urban Consumers for the South Region and shall be rounded to the nearest whole thousand dollars. The index factor shall be the index as of July of the year preceding the change divided by the index as of July 2012.

Nothing in this subsection prohibits an insurer from providing additional incentives to small employers with benefits promoting a medical home or benefits that provide health care screenings, are focused on outcomes and key performance indicators, or are reimbursed on an outcomes basis rather than a fee-for-service basis."



1 **SECTION 2.** This act becomes effective October 1, 2025, and applies to contracts
2 issued, renewed, or amended on or after that date.