

Requirements for Small Employers 2

Disclosure requirements – the following disclosures must be given to the employer:

- Provisions regarding the insurer's right to change premiums
- Renewability provisions
- Preexisting condition exclusion provisions
- Benefits available

Denial/termination/nonrenewal – the carrier does not have to offer coverage to or accept applications from the following:

- A small employer not located in the service area of the plan
- An employee who does not work or reside in the service area of the plan

A small employer carrier may deny coverage if it can prove that:

- It does not have the financial reserves necessary to underwrite the additional coverage, and
- It is applying this denial to all small-group market employers without regard to claims experience