



**DOMESTIC/FOREIGN INSURERS BULLETIN NO. 41**

To: All Companies Authorized to Issue Health Insurance Policies in the Individual and Small Group Markets  
RE: Groups of One/Guaranteed Issue  
Date: December 16, 2010

It has come to the attention of the Delaware Insurance Department that some insurance companies selling individual and small group health insurance are refusing to issue HIPAA guarantee issue policies to persons who were covered as a group of one in the Delaware Small Employer market.

Title 18 Chapter 72 of Delaware Code defines Small Employer Health Insurance as otherwise qualified groups of 1-25. The fact that other states and federal law define such groups as beginning at 2 has no effect on the requirements of Delaware Law. Further, the federal law does not prohibit the state from defining "small employer" as a group of 1.

Accordingly, all companies offering Health Benefit Plans, as defined by 18 DE C. §3572 (4), writing in the small group market are expected to comply with Chapter 72 and must issue policies to otherwise-qualified small groups of one. Likewise, companies so writing in the individual market must, in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), recognize and issue credible coverage for individuals leaving the small group market.

Carriers and producers found in violation shall be subject to administrative penalties, monetary fines, or other action as appropriate.

s/ KWS \_\_\_\_\_  
Karen Weldin Stewart, CIR-ML  
Commissioner