

DEPARTMENT OF REGULATORY AGENCIES

Division of Insurance

3 CCR 702-4

LIFE, ACCIDENT AND HEALTH

Regulation 4-2-105

CONCERNING COLORADO OPTION STANDARDIZED HEALTH BENEFIT PLANS IN THE SMALL GROUP MARKET

Section 1	Authority
Section 2	Scope and Purpose
Section 3	Applicability
Section 4	Definitions
Section 5	Offering Colorado Option Standardized Plans in the Small Group Market
Section 6	Severability
Section 7	Enforcement
Section 8	Effective Date
Section 9	History

Section 1 Authority

This regulation is promulgated and adopted by the Commissioner of Insurance under the authority of §§ 10-1-108(7), 10-1-109(1), 10-16-109, 10-16-1304(3), 10-16-1305, and 10-16-1312, C.R.S.

Section 2 Scope and Purpose

The purpose of this regulation is to establish requirements regarding the offering of Colorado Option Standardized Plans in the small group market.

Section 3 Applicability

This regulation applies to all carriers offering small group health benefit plans subject to the small group laws of Colorado and the requirements of federal law.

Section 4 Definitions

- A. "Carrier" shall have the same meaning as found at § 10-16-102(8), C.R.S.
- B. "Colorado Option Standardized Plan" or "Standardized Plan" shall have the same meaning as found at § 10-16-1303(14), C.R.S.
- C. "Health benefit plan" shall have the same meaning as found at § 10-16-102(32), C.R.S.

- D. "Insurance producer" or "producer" shall have the same meaning as found at § 10-2-103(6), C.R.S., with the exception that for purposes of this regulation it does not include § 10-2-103(6)(b), C.R.S.
- E. "Non-Standardized Plan" means, for the purposes of this regulation, a health benefit plan that does not meet the definition of Standardized Plan found at § 10-16-1303(14), C.R.S.
- F. "Sell" or "Solicit" or "solicitation" means, for the purposes of this regulation, attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.
- G. "Small employer" shall have the same meaning as found at § 10-16-102(61)(b), C.R.S.
- H. "Small group market" shall have the same meaning as found at § 10-16-1303(13), C.R.S.

Section 5 Offering Colorado Option Standardized Plans in the Small Group Market

- A. A carrier that is required to offer Standardized Plans in the small group market pursuant to § 10-16-1305, C.R.S. must offer Standardized Plans in the same manner and under the same solicitation policies and restrictions as the carrier's non-Standardized Plans in the small group market.
- B. The carrier shall not restrict the number of Standardized Plans that producers may sell to less than the number of non-Standardized Plans that producers may sell.
- C. A carrier shall not limit a producer's ability to sell more than one Standardized Plan. A carrier shall not limit a producer's ability to sell Standardized Plans and non-Standardized Plans at the same time.
- D. A carrier may limit the number of plan options that a small employer can offer to its employees as long as the insurer complies with subsections A, B, and C of this rule.

Section 6 Severability

If any provision of this regulation or the application of it to any person or circumstance is for any reason held to be invalid, the remainder of the regulation shall not be affected.

Section 7 Enforcement

Noncompliance with this regulation may result in the imposition of any of the sanctions made available in the Colorado statutes pertaining to the business of insurance, or other laws, which include the imposition of civil penalties, issuance of cease and desist orders, and/or suspensions or revocations of license, subject to the requirements of due process.

Section 8 Effective Date

This regulation shall become effective on July 15, 2025.

Section 9 History

New regulation effective July 15, 2025.