

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Proposed Adoption
of Rules Relating to the Comprehensive
Health Insurance Association

STATEMENT OF NEED
AND REASONABLENESS

In August of 1985 the process of adopting new rules pertaining to the Minnesota Comprehensive Health Insurance Association was completed. During the process of adopting these rules an oversight occurred and a change to bring the rules into compliance with the statutes was omitted. Rule 2740.4300 subpart 5 provided that the association shall invite insurer and health maintenance organization members to submit bids to serve as a writing carrier for the association. This limited who could participate in the bidding process to only insurer and health maintenance organizations. The applicable statute provided that all members of the association were eligible. Accordingly an additional change to the rules was required to bring them into conformance with the statute and remove the improper limitation. Accordingly this change merely makes the rule consistent with the statute.

Small business consideration

Because the change would only bring the rule into compliance with the statute there would be no alternative to making this change. Accordingly the requirements of considering the small business impact of the change would not be applicable to this situation. However, the department would see no effect on small businesses except the possibility that some of them that were previously precluded from bidding would now be allowed to bid. However, as this is required by the statute the rule would have been invalid with the previous limitation.