

**Nebraska Department of Insurance**  
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REQUIREMENTS AND PROCEDURE FOR OBTAINING A CERTIFICATE OF AUTHORITY TO  
TRANSACTION BUSINESS AS A PREPAID LIMITED HEALTH SERVICE ORGANIZATION  
PURSUANT TO NEB. REV. STAT. §§ 44-4701 TO 44-4727

### **WHO MUST BE LICENSED**

Prepaid limited health service organization shall mean any corporation, partnership, limited liability company, or other entity which, in return for a prepayment, undertakes to provide or arrange for the provision of one or more limited health services to enrollees.

Prepaid limited health service organization, defined by Neb. Rev. Stat. § 44-4702(5), shall not include:

- (a) An entity otherwise authorized pursuant to the laws of this state either to provide any limited health service on a prepayment or other basis or to indemnify for any limited health service;
- (b) An entity that meets the requirements of Neb. Rev. Stat. § 44-4707; or
- (c) A provider or entity when providing or arranging for the provision of limited health services pursuant to a contract with a prepaid limited health service organization or with an entity described in (a) or (b) as set forth above.

### **FILING REQUIREMENTS FOR OBTAINING A CERTIFICATE OF AUTHORITY**

1. A cover letter from the applicant signed by an officer or authorized representative of the applicant entity stating all application materials/documents have been verified and are accurate;
2. A check in the amount of \$100.00, made payable to the Nebraska Department of Insurance ("Department");
3. A copy of the basic organizational document, if any, of the applicant, such as the articles of incorporation, articles of association, articles of organization, partnership agreement, trust agreement, or other applicable documents and all amendments to such documents;
4. A copy of all bylaws, rules and regulations, or similar documents, if any, regulating the conduct of the internal affairs of the applicant;

5. A list of the names, addresses, official positions, and biographical affidavit of the individuals who are responsible for conducting the affairs of the applicant including, but not limited to, all members of the board of directors, board of trustees, executive committee, or other governing board or committee, the principal officers, any person or entity owning or having the right to acquire ten percent or more of the voting securities of the applicant, and the partners or members in the case of a partnership, limited liability company, or association;
6. A statement generally describing the applicant, its facilities and personnel/staff, and the limited health services to be offered;
7. A copy of the form of any contract made or to be made between the applicant and any providers regarding the provision of limited health services to enrollees;
8. A copy of the form of any contract made or to be made between the applicant and any person listed in item (5) above;
9. A copy of the form of any contract made or to be made between the applicant and any person, corporation partnership, limited liability company, or other entity for the performance on the applicant's behalf of any functions, including, but not limited to, marketing, administration, enrollment, investment management, and subcontracting for the provision of limited health services to enrollees;
10. A copy of the form of any group contract which is to issued to employers, unions, trustees, or other organizations and a copy of any form of evidence of coverage to be issued to subscribers;
11. A copy of the most recent financial statements of the applicant audited by independent certified public accountants. If the financial affairs of the applicant's parent company are audited by independent certified public accountants but those of the applicant are not, a copy of the most recent audited financial statement of the applicant's parent company, certified by an independent certified public accountant, attached to which shall be consolidating financial statements of the applicant, shall satisfy this requirement unless the director determines that additional or more recent financial information is required for proper administration of the Prepaid Limited Health Service Organization Act;
12. A financial plan which includes a three-year projection of anticipated operating results, a statement of the sources of working capital, any other sources of funding, and provisions for contingencies;
13. A schedule of rates and charges;
14. A description of the proposed method of marketing;
15. A description of the complaint procedures to be utilized as required under Neb. Rev. Stat. § 444713;
16. A description of the quality assessment and utilization review procedures to be utilized by the applicant;

17. A description of how the applicant will comply with Neb. Rev. Stat. § 44-4718; and
18. Such other information as the Department may reasonably require to make the determinations required by the Prepaid Limited Health Service Organization Act.

### **GENERAL INFORMATION**

Following receipt of the application material set forth above, the Department will review said application and notify the applicant of any deficiencies contained therein.

The Department will issue a certificate of authority to the applicant if the following conditions are met:

- (a) The requirements and materials required pursuant to Neb. Rev. Stat. § 44-4704 have been fulfilled/provided;
- (b) The individuals responsible for the conduct of the affairs of the applicant are competent and trustworthy, possess good reputations, and have had appropriate experience, training, or education;
- (c) The applicant is financially responsible and may reasonably be expected to meet its obligations to enrollees and to prospective enrollees. In making this determination, the Department will consider
  - (i) the financial soundness of the applicant's arrangements for limited health services and the minimum standards rates, deductibles, copayments, and other patient charges used in connection therewith, (ii) the adequacy of working capital, other sources of funding, and provisions for contingencies, (iii) any agreement providing for payment of the cost of the limited health services or for alternative coverage in the event of insolvency of the prepaid limited health service organization, and (iv) the manner in which the requirements of Neb. Rev. Stat. § 44-4718 have been fulfilled;
- (d) The agreements with providers for the provision of limited health services contain the provisions required by Neb. Rev. Stat. § 44-4717; and
- (e) Any deficiencies identified by the Department have been corrected.