

§ 156.500 Basis and scope.

This subpart implements section 1322 of the Affordable Care Act by establishing the Consumer Operated and Oriented Plan (CO-OP) program to foster the creation of new consumer-governed, private, nonprofit health insurance issuers, known as “CO-OPs.” Under this program, loans are awarded to encourage the development of CO-OPs. Applicants that meet the eligibility standards of the CO-OP program may apply to receive loans to help fund start-up costs and meet the solvency requirements of States in which the applicant seeks to be licensed to issue CO-OP qualified health plans. This subpart sets forth the eligibility and governance requirements for the CO-OP program, CO-OP standards, and the terms for loans awarded under the CO-OP program.