

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1456

H. P. 1181

House of Representatives, March 26, 1979

Referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Jackson of Yarmouth.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT Relating to the Reasonableness of Nongroup Rates Utilized by Health Insurance Companies and Nonprofit Hospital and Medical Service Organizations.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 24 MRSA § 2322, first sentence, as enacted by PL 1977, c. 493, § 2, is amended to read:

If, at any time, the superintendent has reason to believe that a filing does not meet the requirements that rates shall not be excessive, inadequate or unfairly discriminatory and violates any of Title 24-A, chapter 23, to the extent it is applicable pursuant to section 2317, **and the organization making the filing is not willing to adjust its filing to meet those requirements**, he shall, after a hearing held upon not less than 10 days' written notice to the organization making the filing specifying the matters to be considered at such hearing, issue an order specifying in what respects, if any, he finds that such filing fails to meet the requirements that rates shall not be excessive, inadequate or unfairly discriminatory, **specifying what rates or rating formula would meet those requirements**, and stating when, within a reasonable period thereafter, ~~such~~ **the original** filing shall be deemed no longer effective.

Sec. 2. 24-A MRSA § 2736-A, first sentence, as enacted by PL 1977, c. 493, § 4, is amended to read:

If, at any time, the superintendent has reason to believe that a filing does not meet the requirements that rates shall not be excessive, inadequate or unfairly discriminatory and violates any of the provisions of chapter 23, **and the insurer making the filing is not willing to adjust its filing to meet those requirements**, he shall, after a hearing held upon not less than 10 days' written notice to the insurer making the filing specifying the matters to be considered at such hearing, issue an order specifying in what respects, if any, he finds that such filing fails to meet the requirements that rates shall not be excessive, inadequate or unfairly discriminatory, **specifying what rates or rating formula would meet those requirements. In addition, he shall issue an order authorizing implementation of such rates or rating formula**, and stating when, within a reasonable time period thereafter, ~~such~~ **the original** filing shall be deemed no longer effective.

STATEMENT OF FACT

The purpose of this bill is to require the Superintendent of Insurance to establish a reasonable rate for insurance companies and nonprofit hospital and medical service organizations if he determines that the rate filed is excessive.