

# MAINE STATE LEGISLATURE

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DATE: 5/11/95

(Filing No. H- 246)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
117TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 431, L.D. 594, Bill, "An Act to Modify Community Rating for Individual and Small Group Health Plans"

Amend the amendment by striking out all of sections 1 and 2 and inserting in their place the following:

'Sec. 1. 24-A MRSA §2736-C, sub-§2, ¶D, as amended by PL 1993, c. 546, §1, is further amended to read:

D. A carrier may vary the premium rate due to age, smoking status, occupation or industry, and geographic area only under the following schedule and within the listed percentage bands.

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between December 1, 1993 and July 14, 1994, the premium rate may not deviate above or below the community rate filed by the carrier by more than 50%.

(2) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1994 and July 14, 1995, the premium rate may not deviate above or below the community rate filed by the carrier by more than 33%.

HOUSE AMENDMENT

2 (3) For all policies, contracts or certificates that  
are executed, delivered, issued for delivery, continued  
4 or renewed in this State between July 15, 1995 and July  
14, 1996 1997, the premium rate may not deviate above  
6 or below the community rate filed by the carrier by  
more than 20%.

8 (4) For all policies, contracts or certificates that  
are executed, delivered, issued for delivery, continued  
10 or renewed in this State between after July 15, 1996  
and ~~July 14~~, 1997, the premium rate may not deviate  
12 above or below the community rate filed by the carrier  
by more than 10%.

14 ~~(5) For all policies, contracts or certificates that  
16 are executed, delivered, issued for delivery, continued  
or renewed in this State on or after July 15, 1997, the  
18 premium rate may not deviate from the community rate  
filed by the carrier.~~

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22 **Sec. 2. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 1993,  
c. 546, §2, is further amended to read:

24 D. A carrier may vary the premium rate due to age, smoking  
26 status, occupation or industry, and geographic area only  
under the following schedule and within the listed  
percentage bands.

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30 (1) For all policies, contracts or certificates that  
are executed, delivered, issued for delivery, continued  
32 or renewed in this State between July 15, 1993 and July  
14, 1994, the premium rate may not deviate above or  
34 below the community rate filed by the carrier by more  
than 50%.

36 (2) For all policies, contracts or certificates that  
are executed, delivered, issued for delivery, continued  
38 or renewed in this State between July 15, 1994 and July  
14, 1995, the premium rate may not deviate above or  
40 below the community rate filed by the carrier by more  
than 33%.

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44 (3) For all policies, contracts or certificates that  
are executed, delivered, issued for delivery, continued  
46 or renewed in this State between July 15, 1995 and July  
14, 1996 1997, the premium rate may not deviate above  
48 or below the community rate filed by the carrier by  
more than 20%.

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(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between after July 15, 1996 and ~~July 14,~~ 1997, the premium rate may not deviate above or below the community rate filed by the carrier by more than 10%.

~~(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after July 15, 1997, the premium rate may not deviate from the community rate filed by the carrier.~~

Further amend the amendment in section 3 in the first paragraph in the 3rd line (page 3, line 16 in amendment) by striking out the following: "November" and inserting in it place the following: 'January'

**STATEMENT OF FACT**

This amendment strikes out the provisions of the committee amendment that freeze the community rating requirements at the 20% rate band. Instead, the amendment extends the 20% rate band for 2 years from July 15, 1995 to July 14, 1997. After July 14, 1997, community rating will continue at the 10% rate band.

The amendment also directs the Bureau of Insurance to submit a report on the effects of community rating law to the joint standing committee of the Legislature having jurisdiction over insurance matters on or before January 1, 1997, instead of November 1, 1997 as directed in the committee amendment.

SPONSORED BY: E. H. Mitchell  
(Representative E. H. MITCHELL)

TOWN: Vassalboro