

MAINE STATE LEGISLATURE

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BANKING AND INSURANCE

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

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 bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

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

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%.

COMMITTEE AMENDMENT

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

~~(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between 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.~~

Sec. 2. 24-A MRSA §2808-B, sub-§2, ¶D, as amended by PL 1993, c. 546, §2, 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 July 15, 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%.

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

~~(4) -- For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between 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.~~

Sec. 3. Report. The Bureau of Insurance shall report to the joint standing committee of the Legislature having jurisdiction over insurance matters on or before November 1, 1997 on the effects of the rating provisions of the Maine Revised Statutes, Title 24-A, sections 2736-C and 2808-B. The report must focus on the following issues:

1. The effect of the enactment of community rating statutes on the cost of individual and small group health insurance;

2. The effect of the enactment of community rating statutes on access to health insurance coverage through individual and small group plans; and

3. The guaranteed issuance and renewability of health insurance and their impact with and without community rating of individual and small group health insurance premiums.'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

The Bureau of Insurance will incur some minor additional costs to process any rate filings from insurers as a consequence of changes in the community rating laws and to submit a required report to the Legislature. These costs can be absorbed within the bureau's existing budgeted resources.'

STATEMENT OF FACT

This amendment freezes the community rating requirements for individual and small group health plans at the 20% rate band scheduled to take effect on July 15, 1995 and directs the Bureau of Insurance to submit a report on the effects of community

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COMMITTEE AMENDMENT "A" to H.P. 431, L.D. 594

2 rating to the joint standing committee of the Legislature having
jurisdiction over insurance matters on or before November 1, 1997.

4 The amendment also removes the emergency preamble and the
emergency clause from the bill and adds a fiscal note.