

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 594

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H.P. 431

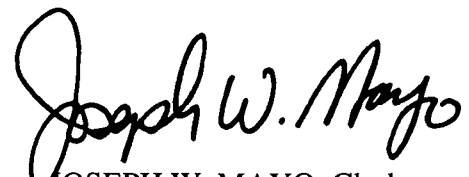
House of Representatives, February 17, 1995

**An Act to Modify Community Rating for Individual and Small Group Health Plans.**

(EMERGENCY)

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Reference to the Committee on Banking and Insurance suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative CARLETON of Wells.

2           **Emergency preamble.** Whereas, Acts of the Legislature do not  
become effective until 90 days after adjournment unless enacted  
as emergencies; and

4  
6           **Whereas,** under current law, provisions authorizing a  
community rate reduction are scheduled to take effect on July 15,  
1995; and

8  
10          **Whereas,** this legislation eliminates further rate  
reductions; and

12          **Whereas,** in the judgment of the Legislature, these facts  
create an emergency within the meaning of the Constitution of  
14       Maine and require the following legislation as immediately  
necessary for the preservation of the public peace, health and  
16       safety; now, therefore,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7                   **Emergency clause.** In view of the emergency cited in the  
8                   preamble, this Act takes effect when approved.

10

### STATEMENT OF FACT

12

13                   Under current law, premium rates charged by insurance  
14                   carriers are restricted by community rating. The community  
15                   rating limits are designed to be phased in over a period of  
16                   years. This bill freezes the community rating law at its current  
17                   limits.  
18