

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 1331

S.P. 428

In Senate, March 30, 2021

**An Act To Make Individual and Small Group Health Insurance
More Affordable in Certain High-premium Counties**

Reference to the Committee on Health Coverage, Insurance and Financial Services
suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator STEWART of Aroostook.
Cosponsored by Senators: President JACKSON of Aroostook, LUCHINI of Hancock,
MOORE of Washington, Representatives: FAULKINGHAM of Winter Harbor, PERRY of
Calais.

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

2 **Sec. 1. 24-A MRSA §2736-C, sub-§2, ¶C-1**, as enacted by PL 2011, c. 90, Pt. A,
3 §2, is amended to read:

4 C-1. A carrier may vary the premium rate due to geographic area in accordance with
5 the limitation set out in this paragraph. For all policies, contracts or certificates that
6 are executed, delivered, issued for delivery, continued or renewed in this State ~~on or~~
7 after July 1, 2012 between July 1, 2012 and December 31, 2022, the rating factor used
8 by a carrier for geographic area may not exceed 1.5. For all policies, contracts or
9 certificates that are executed, delivered, issued for delivery, continued or renewed in
10 this State on or after January 1, 2023 until December 31, 2023, the rating factor used
11 by a carrier for geographic area may not exceed 1.35. For all policies, contracts or
12 certificates that are executed, delivered, issued for delivery, continued or renewed in
13 this State on or after January 1, 2024, the rating factor used by a carrier for geographic
14 area may not exceed 1.25.

15 **Sec. 2. 24-A MRSA §2808-B, sub-§2, ¶C-1**, as enacted by PL 2011, c. 90, Pt. A,
16 §7, is amended to read:

17 C-1. A carrier may vary the premium rate due to geographic area in accordance with
18 the limitation set out in this paragraph. For all policies, contracts or certificates that
19 are executed, delivered, issued for delivery, continued or renewed in this State ~~on or~~
20 after October 1, 2011 between October 1, 2011 and December 31, 2022, the rating
21 factor used by a carrier for geographic area may not exceed 1.5. For all policies,
22 contracts or certificates that are executed, delivered, issued for delivery, continued or
23 renewed in this State on or after January 1, 2023 until December 31, 2023, the rating
24 factor used by a carrier for geographic area may not exceed 1.35. For all policies,
25 contracts or certificates that are executed, delivered, issued for delivery, continued or
26 renewed in this State on or after January 1, 2024, the rating factor used by a carrier for
27 geographic area may not exceed 1.25.

28 **Sec. 3. Report on effect on health insurance premiums.** The Superintendent
29 of Insurance shall report on the difference in premium rates in each geographic rating area
30 used by a carrier in this State to the joint standing committee of the Legislature having
31 jurisdiction over health coverage, insurance and financial services matters by October 1,
32 2022 for plan year 2022; by October 1, 2023 for plan year 2023; and by October 1, 2024
33 for plan year 2024. In the report, the superintendent shall include data for each geographic
34 rating area comparing the premium rates and enrollment in individual and small group
35 plans in the first 2 quarters of each plan year to the prior plan year.

36 **SUMMARY**

37 This bill reduces the maximum rating factor for geographic area that may be used by
38 carriers to determine individual and small group health insurance premiums to 1.35 for plan
39 year 2023 and to 1.25 for plan year 2024 and thereafter. Under current law, the maximum
40 rating factor for a geographic area is 1.5.

41 The bill also requires the Superintendent of Insurance to report on the difference in
42 premium rates in each geographic rating area used by a carrier in this State to the joint

1 standing committee of the Legislature having jurisdiction over health coverage, insurance
2 and financial services matters for plan years 2022, 2023 and 2024.