



General Assembly

February Session, 2022

Raised Bill No. 356

LCO No. 2546



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT REQUIRING THE INSURANCE COMMISSIONER TO CONSIDER AFFORDABILITY AS A FACTOR IN REVIEWING INDIVIDUAL AND GROUP HEALTH INSURANCE POLICY PREMIUM RATE FILINGS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 38a-481 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2022*):

4 (b) No rate filed under the provisions of subsection (a) of this section
5 shall be effective until it has been approved by the commissioner in
6 accordance with regulations adopted pursuant to this subsection. The
7 commissioner shall adopt regulations, in accordance with the
8 provisions of chapter 54, to prescribe standards to ensure that such rates
9 shall not be excessive, inadequate, [or] unfairly discriminatory or
10 unaffordable. The commissioner may disapprove such rate if it fails to
11 comply with such standards, except that no rate filed under the
12 provisions of subsection (a) of this section for any Medicare supplement
13 policy shall be effective unless approved in accordance with section 38a-
14 474.

15 Sec. 2. Subsection (a) of section 38a-513 of the general statutes is
16 repealed and the following is substituted in lieu thereof (*Effective October*
17 *1, 2022*):

18 (a) (1) No group health insurance policy, as defined by the
19 commissioner, or certificate shall be delivered or issued for delivery in
20 this state unless a copy of the form for such policy or certificate has been
21 submitted to and approved by the commissioner under the regulations
22 adopted pursuant to this section. The commissioner shall adopt
23 regulations, in accordance with the provisions of chapter 54, concerning
24 the provisions, submission and approval of such policies and certificates
25 and establishing a procedure for reviewing such policies and
26 certificates. The commissioner shall disapprove the use of such form at
27 any time if it does not comply with the requirements of law, or if it
28 contains a provision or provisions that are unfair or deceptive or that
29 encourage misrepresentation of the policy. The commissioner shall
30 notify, in writing, the insurer that has filed any such form of the
31 commissioner's disapproval, specifying the reasons for disapproval,
32 and ordering that no such insurer shall deliver or issue for delivery to
33 any person in this state a policy on or containing such form. The
34 provisions of section 38a-19 shall apply to such order.

35 (2) No group health insurance policy or certificate for a small
36 employer, as defined in section 38a-564, shall be delivered or issued for
37 delivery in this state unless the premium rates have been submitted to
38 and approved by the commissioner and are, in the opinion of the
39 commissioner, affordable. Premium rate filings shall include the
40 information and data required under section 38a-479qqq if the policy is
41 subject to said section, and an actuarial memorandum that includes, but
42 is not limited to, pricing assumptions and claims experience, and
43 premium rates and loss ratios from the inception of the policy. Each
44 premium rate filed on or after January 1, 2021, shall, if the insurer
45 intends to account for rebates, as defined in section 38a-479ooo in the
46 manner specified in section 38a-479rrr, account for such rebates in such
47 manner, if the policy is subject to section 38a-479rrr. As used in this
48 subdivision, "loss ratio" means the ratio of incurred claims to earned

49 premiums by the number of years of policy duration for all combined
50 durations.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2022</i> | 38a-481(b) |
| Sec. 2 | <i>October 1, 2022</i> | 38a-513(a) |

Statement of Purpose:

To require the Insurance Commissioner to consider affordability as a factor in reviewing individual and group health insurance policy premium rate filings.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]