



# 129th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2019

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Legislative Document

No. 132

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H.P. 114

House of Representatives, January 17, 2019

**An Act To Eliminate Insurance Rating Based on Age, Geographic Location or Smoking History and To Reduce Rate Variability Due to Group Size**

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

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative BROOKS of Lewiston.

Cosponsored by Representatives: FARNSWORTH of Portland, FAY of Raymond, HANDY of Lewiston, HOBBS of Wells, MELARAGNO of Auburn, SYLVESTER of Portland, TALBOT ROSS of Portland.

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.  
3 A, §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 between July 1, 2012 and December 31, 2019, the rating factor used by a carrier  
8 for geographic area may not exceed 1.5. For all policies, contracts or certificates that  
9 are executed, delivered, issued for delivery, continued or renewed in this State on or  
10 after January 1, 2020, a carrier may not vary the premium rate due to geographic  
11 area.

12 **Sec. 2. 24-A MRSA §2736-C, sub-§2, ¶D**, as amended by PL 2011, c. 364, §4,  
13 is further amended to read:

14 D. A carrier may vary the premium rate due to age and tobacco use in accordance  
15 with the limitations set out in this paragraph.

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

20 (2) For all policies, contracts or certificates that are executed, delivered, issued  
21 for delivery, continued or renewed in this State between July 15, 1994 and July  
22 14, 1995, the premium rate may not deviate above or below the community rate  
23 filed by the carrier by more than 33%.

24 (3) For all policies, contracts or certificates that are executed, delivered, issued  
25 for delivery, continued or renewed in this State between July 15, 1995 and June  
26 30, 2012, the premium rate may not deviate above or below the community rate  
27 filed by the carrier by more than 20%.

28 (5) For all policies, contracts or certificates that are executed, delivered, issued  
29 for delivery, continued or renewed in this State between July 1, 2012 and  
30 December 31, 2013, the maximum rate differential due to age filed by the carrier  
31 as determined by ratio is 3 to 1. The limitation does not apply for determining  
32 rates for an attained age of less than 19 years of age or more than 65 years of age.

33 (6) For all policies, contracts or certificates that are executed, delivered, issued  
34 for delivery, continued or renewed in this State between January 1, 2014 and  
35 December 31, 2014, the maximum rate differential due to age filed by the carrier  
36 as determined by ratio is 4 to 1 to the extent permitted by the federal Affordable  
37 Care Act. The limitation does not apply for determining rates for an attained age  
38 of less than 19 years of age or more than 65 years of age.

39 (7) For all policies, contracts or certificates that are executed, delivered, issued  
40 for delivery, continued or renewed in this State ~~on or after~~ between January 1,  
41 2015 and December 31, 2019, the maximum rate differential due to age filed by

1 the carrier as determined by ratio is 5 to 1 to the extent permitted by the federal  
2 Affordable Care Act. The limitation does not apply for determining rates for an  
3 attained age of less than 19 years of age or more than 65 years of age. For all  
4 policies, contracts or certificates that are executed, delivered, issued for delivery,  
5 continued or renewed in this State on or after January 1, 2020, a carrier may not  
6 vary the premium rate due to age.

7 (8) For all policies, contracts or certificates that are executed, delivered, issued  
8 for delivery, continued or renewed in this State ~~on or after~~ between July 1, 2012  
9 and December 31, 2019, the maximum rate differential due to tobacco use filed  
10 by the carrier as determined by ratio is 1.5 to 1. For all policies, contracts or  
11 certificates that are executed, delivered, issued for delivery, continued or renewed  
12 in this State on or after January 1, 2020, a carrier may not vary the premium rate  
13 due to tobacco use.

14 **Sec. 3. 24-A MRSA §2736-C, sub-§2, ¶I,** as amended by PL 2011, c. 364, §5, is  
15 further amended to read:

16 I. A carrier that offered individual health plans prior to July 1, 2012 may close its  
17 individual book of business sold prior to July 1, 2012 and may establish a separate  
18 community rate for individuals applying for coverage under an individual health plan  
19 on or after July 1, 2012. If a carrier closes its individual book of business as  
20 permitted under this paragraph, the carrier may vary the premium rate for individuals  
21 in that closed book of business only as permitted in this paragraph and paragraphs C  
22 and C-1.

23 (1) For all policies, contracts or certificates that are executed, delivered, issued  
24 for delivery, continued or renewed in this State between July 1, 2012 and  
25 December 31, 2012, the maximum rate differential due to age filed by the carrier  
26 as determined by ratio is 2 to 1. The limitation does not apply for determining  
27 rates for an attained age of less than 19 years of age or more than 65 years of age.

28 (2) For all policies, contracts or certificates that are executed, delivered, issued  
29 for delivery, continued or renewed in this State between January 1, 2013 and  
30 December 31, 2013, the maximum rate differential due to age filed by the carrier  
31 as determined by ratio is 2.5 to 1. The limitation does not apply for determining  
32 rates for an attained age of less than 19 years of age or more than 65 years of age.

33 (3) For all policies, contracts or certificates that are executed, delivered, issued  
34 for delivery, continued or renewed in this State between January 1, 2014 and  
35 December 31, 2014, the maximum rate differential due to age filed by the carrier  
36 as determined by ratio is 3 to 1. The limitation does not apply for determining  
37 rates for an attained age of less than 19 years of age or more than 65 years of age.

38 (4) For all policies, contracts or certificates that are executed, delivered, issued  
39 for delivery, continued or renewed in this State between January 1, 2015 and  
40 December 31, 2015, the maximum rate differential due to age filed by the carrier  
41 as determined by ratio is 4 to 1 to the extent permitted by the federal Affordable  
42 Care Act. The limitation does not apply for determining rates for an attained age  
43 of less than 19 years of age or more than 65 years of age.

1 (5) For all policies, contracts or certificates that are executed, delivered, issued  
2 for delivery, continued or renewed in this State ~~on or after~~ between January 1,  
3 2016 and December 31, 2019, the maximum rate differential due to age filed by  
4 the carrier as determined by ratio is 5 to 1 to the extent permitted by the federal  
5 Affordable Care Act. The limitation does not apply for determining rates for an  
6 attained age of less than 19 years of age or more than 65 years of age. For all  
7 policies, contracts or certificates that are executed, delivered, issued for delivery,  
8 continued or renewed in this State on or after January 1, 2020, a carrier may not  
9 vary the premium rate due to age.

10 (6) For all policies, contracts or certificates that are executed, delivered, issued  
11 for delivery, continued or renewed in this State ~~on or after~~ between July 1, 2012  
12 and December 31, 2019, the maximum rate differential due to tobacco use filed  
13 by the carrier as determined by ratio is 1.5 to 1. For all policies, contracts or  
14 certificates that are executed, delivered, issued for delivery, continued or renewed  
15 in this State on or after January 1, 2020, a carrier may not vary the premium rate  
16 due to tobacco use.

17 The superintendent shall direct the Consumer Health Care Division, established in  
18 section 4321, to work with carriers and health advocacy organizations to provide  
19 information about comparable alternative insurance options to individuals in a  
20 carrier's closed book of business.

21 **Sec. 4. 24-A MRSA §2808-B, sub-§2, ¶C-1**, as enacted by PL 2011, c. 90, Pt.  
22 A, §7, is amended to read:

23 C-1. A carrier may vary the premium rate due to geographic area in accordance with  
24 the limitation set out in this paragraph. For all policies, contracts or certificates that  
25 are executed, delivered, issued for delivery, continued or renewed in this State ~~on or~~  
26 ~~after~~ between October 1, 2011 and December 31, 2019, the rating factor used by a  
27 carrier for geographic area may not exceed 1.5. For all policies, contracts or  
28 certificates that are executed, delivered, issued for delivery, continued or renewed in  
29 this State on or after January 1, 2020, a carrier may not vary the premium rate due to  
30 geographic area.

31 **Sec. 5. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2011, c. 638, §2,  
32 is further amended to read:

33 D. A carrier may vary the premium rate due to age, group size and tobacco use only  
34 under the following schedule and within the listed percentage bands.

35 (1) For all policies, contracts or certificates that are executed, delivered, issued  
36 for delivery, continued or renewed in this State between July 15, 1993 and July  
37 14, 1994, the premium rate may not deviate above or below the community rate  
38 filed by the carrier by more than 50%.

39 (2) For all policies, contracts or certificates that are executed, delivered, issued  
40 for delivery, continued or renewed in this State between July 15, 1994 and July  
41 14, 1995, the premium rate may not deviate above or below the community rate  
42 filed by the carrier by more than 33%.

- 1 (3) For all policies, contracts or certificates that are executed, delivered, issued  
2 for delivery, continued or renewed in this State between July 15, 1995 and  
3 September 30, 2011, the premium rate may not deviate above or below the  
4 community rate filed by the carrier by more than 20%.
- 5 (4) For all policies, contracts or certificates that are executed, delivered, issued  
6 for delivery, continued or renewed in this State between October 1, 2011 and  
7 September 30, 2012, the maximum rate differential due to age filed by the carrier  
8 as determined by ratio is 2 to 1. The limitation does not apply for determining  
9 rates for an attained age of less than 19 years of age or more than 65 years of age.
- 10 (5) For all policies, contracts or certificates that are executed, delivered, issued  
11 for delivery, continued or renewed in this State between October 1, 2012 and  
12 December 31, 2013, the maximum rate differential due to age and group size  
13 filed by the carrier as determined by ratio is 2.5 to 1. The limitation does not  
14 apply for determining rates for an attained age of less than 19 years of age or  
15 more than 65 years of age.
- 16 (6) For all policies, contracts or certificates that are executed, delivered, issued  
17 for delivery, continued or renewed in this State between January 1, 2014 and  
18 December 31, 2014, the maximum rate differential due to age and group size  
19 filed by the carrier as determined by ratio is 3 to 1 to the extent permitted by the  
20 federal Affordable Care Act. The limitation does not apply for determining rates  
21 for an attained age of less than 19 years of age or more than 65 years of age.
- 22 (7) For all policies, contracts or certificates that are executed, delivered, issued  
23 for delivery, continued or renewed in this State between January 1, 2015 and  
24 December 31, 2015, the maximum rate differential due to age and group size  
25 filed by the carrier as determined by ratio is 4 to 1 to the extent permitted by the  
26 federal Affordable Care Act. The limitation does not apply for determining rates  
27 for an attained age of less than 19 years of age or more than 65 years of age.
- 28 (8) For all policies, contracts or certificates that are executed, delivered, issued  
29 for delivery, continued or renewed in this State ~~on or after~~ between January 1,  
30 2016 and December 31, 2019, the maximum rate differential due to age and  
31 group size filed by the carrier as determined by ratio is 5 to 1 to the extent  
32 permitted by the federal Affordable Care Act. The limitation does not apply for  
33 determining rates for an attained age of less than 19 years of age or more than 65  
34 years of age.
- 35 (9) For all policies, contracts or certificates that are executed, delivered, issued  
36 for delivery, continued or renewed in this State ~~on or after~~ between October 1,  
37 2011 and December 31, 2019, the maximum rate differential due to tobacco use  
38 filed by the carrier as determined by ratio is 1.5 to 1. For all policies, contracts or  
39 certificates that are executed, delivered, issued for delivery, continued or renewed  
40 in this State on or after January 1, 2020, a carrier may not vary the premium rate  
41 due to tobacco use.
- 42 (10) For all policies, contracts or certificates that are executed, delivered, issued  
43 for delivery, continued or renewed in this State on or after January 1, 2020, a  
44 carrier may not vary the premium rate due to age.

1                   (11) For all policies, contracts or certificates that are executed, delivered, issued  
2                   for delivery, continued or renewed in this State between January 1, 2020 and  
3                   December 31, 2020, the maximum rate differential due to group size filed by the  
4                   carrier as determined by ratio is 3 to 1.

5                   (12) For all policies, contracts or certificates that are executed, delivered, issued  
6                   for delivery, continued or renewed in this State between January 1, 2021 and  
7                   December 31, 2021, the maximum rate differential due to group size filed by the  
8                   carrier as determined by ratio is 2 to 1.

9                   (13) For all policies, contracts or certificates that are executed, delivered, issued  
10                  for delivery, continued or renewed in this State on or after January 1, 2022, the  
11                  maximum rate differential due to group size filed by the carrier as determined by  
12                  ratio is 1.5 to 1.

13                  **Sec. 6. 24-A MRSA §2808-B, sub-§2, ¶H**, as amended by PL 2011, c. 638, §3,  
14                  is further amended to read:

15                  H. A carrier that offered small group health plans prior to October 1, 2011 may close  
16                  its small group book of business sold prior to October 1, 2011 and may establish a  
17                  separate community rate for eligible groups applying for coverage under a small  
18                  group health plan on or after October 1, 2011. If a carrier closes its small group book  
19                  of business as permitted under this paragraph, the carrier may vary the premium rate  
20                  for that closed book of business only as permitted in this paragraph and paragraphs C  
21                  and C-1.

22                  (1) For all policies, contracts or certificates that are executed, delivered, issued  
23                  for delivery, continued or renewed in this State between October 1, 2011 and  
24                  September 30, 2012, the maximum rate differential due to age filed by the carrier  
25                  as determined by ratio is 2 to 1. The limitation does not apply for determining  
26                  rates for an attained age of less than 19 years of age or more than 65 years of age.

27                  (2) For all policies, contracts or certificates that are executed, delivered, issued  
28                  for delivery, continued or renewed in this State between October 1, 2012 and  
29                  December 31, 2013, the maximum rate differential due to age and group size  
30                  filed by the carrier as determined by ratio is 2.5 to 1. The limitation does not  
31                  apply for determining rates for an attained age of less than 19 years of age or  
32                  more than 65 years of age.

33                  (3) For all policies, contracts or certificates that are executed, delivered, issued  
34                  for delivery, continued or renewed in this State between January 1, 2014 and  
35                  December 31, 2014, the maximum rate differential due to age and group size  
36                  filed by the carrier as determined by ratio is 3 to 1 to the extent permitted by the  
37                  federal Affordable Care Act. The limitation does not apply for determining rates  
38                  for an attained age of less than 19 years of age or more than 65 years of age.

39                  (4) For all policies, contracts or certificates that are executed, delivered, issued  
40                  for delivery, continued or renewed in this State between January 1, 2015 and  
41                  December 31, 2015, the maximum rate differential due to age and group size  
42                  filed by the carrier as determined by ratio is 4 to 1 to the extent permitted by the

1 federal Affordable Care Act. The limitation does not apply for determining rates  
2 for an attained age of less than 19 years of age or more than 65 years of age.

3 (5) For all policies, contracts or certificates that are executed, delivered, issued  
4 for delivery, continued or renewed in this State ~~on or after~~ between January 1,  
5 2016 and December 31, 2019, the maximum rate differential due to age and  
6 group size filed by the carrier as determined by ratio is 5 to 1 to the extent  
7 permitted by the federal Affordable Care Act. The limitation does not apply for  
8 determining rates for an attained age of less than 19 years of age or more than 65  
9 years of age.

10 (6) For all policies, contracts or certificates that are executed, delivered, issued  
11 for delivery, continued or renewed in this State ~~on or after~~ between October 1,  
12 2011 and December 31, 2019, the maximum rate differential due to tobacco use  
13 filed by the carrier as determined by ratio is 1.5 to 1. For all policies, contracts or  
14 certificates that are executed, delivered, issued for delivery, continued or renewed  
15 in this State on or after January 1, 2020, a carrier may not vary the premium rate  
16 due to tobacco use.

17 (7) For all policies, contracts or certificates that are executed, delivered, issued  
18 for delivery, continued or renewed in this State on or after January 1, 2020, a  
19 carrier may not vary the premium rate due to age.

20 (8) For all policies, contracts or certificates that are executed, delivered, issued  
21 for delivery, continued or renewed in this State between January 1, 2020 and  
22 December 31, 2020, the maximum rate differential due to group size filed by the  
23 carrier as determined by ratio is 3 to 1.

24 (9) For all policies, contracts or certificates that are executed, delivered, issued  
25 for delivery, continued or renewed in this State between January 1, 2021 and  
26 December 31, 2021, the maximum rate differential due to group size filed by the  
27 carrier as determined by ratio is 2 to 1.

28 (10) For all policies, contracts or certificates that are executed, delivered, issued  
29 for delivery, continued or renewed in this State on or after January 1, 2022, the  
30 maximum rate differential due to group size filed by the carrier as determined by  
31 ratio is 1.5 to 1.

## 32 SUMMARY

33 This bill prohibits insurance carriers providing individual health plans or small group  
34 health plans from varying premium rates based on age, geographic location or tobacco  
35 use on or after January 1, 2020. The bill also reduces the variation based on group size to  
36 1.5 to 1 for small group plans over time.