



# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 1331

S.P. 428

In Senate, March 30, 2021

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

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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.