



# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 1150

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H.P. 828

House of Representatives, March 22, 2021

**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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Received by the Clerk of the House on March 18, 2021. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

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

ROBERT B. HUNT  
Clerk

Presented by Representative BROOKS of Lewiston.  
Cosponsored by Representatives: ARFORD of Brunswick, CRAVEN of Lewiston, EVANS of Dover-Foxcroft, Senators: BRENNER of Cumberland, LIBBY of Androscoggin.

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 between July 1, 2012 and December 31, 2021, 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, 2022, a carrier may not vary the premium rate due to geographic area.

11 **Sec. 2. 24-A MRSA §2736-C, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,  
12 §3, is further amended by amending subparagraph (7) to read:

13 (7) For all policies, contracts or certificates that are executed, delivered, issued for  
14 delivery, continued or renewed in this State ~~on or after~~ between January 1, 2015  
15 and December 31, 2021, except as provided in subparagraph (9), the maximum rate  
16 differential due to age filed by the carrier as determined by ratio is 5 to 1 to the  
17 extent permitted by the federal Affordable Care Act. The limitation does not apply  
18 for determining rates for an attained age of less than 19 years of age or more than  
19 65 years of age.

20 **Sec. 3. 24-A MRSA §2736-C, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,  
21 §3, is further amended by amending subparagraph (8) to read:

22 (8) For all policies, contracts or certificates that are executed, delivered, issued for  
23 delivery, continued or renewed in this State ~~on or after~~ between July 1, 2012 and  
24 December 31, 2021, the maximum rate differential due to tobacco use filed by the  
25 carrier as determined by ratio is 1.5 to 1, except that the carrier may not apply a  
26 rate differential pursuant to this subparagraph when the covered individual is  
27 participating in an evidence-based tobacco cessation strategy approved by the  
28 United States Department of Health and Human Services, Food and Drug  
29 Administration. For all policies, contracts or certificates that are executed,  
30 delivered, issued for delivery, continued or renewed in this State on or after January  
31 1, 2022, a carrier may not vary the premium rate due to tobacco use.

32 **Sec. 4. 24-A MRSA §2736-C, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,  
33 §3, is further amended by amending subparagraph (9) to read:

34 (9) For all policies, contracts or certificates that are executed, delivered, issued for  
35 delivery, continued or renewed in this State ~~on or after the effective date of this~~  
36 subparagraph between March 19, 2019 and December 31, 2021, the maximum rate  
37 differential due to age filed by the carrier as determined by ratio is 3 to 1 for  
38 individuals 21 years of age and older on the first day of coverage under the policy,  
39 contract or certificate. The variation in rate due to age must be actuarially justified  
40 for individuals under 21 years of age consistent with the uniform age rating curve  
41 adopted under this paragraph. For all policies, contracts or certificates that are  
42 executed, delivered, issued for delivery, continued or renewed in this State on or  
43 after January 1, 2022, a carrier may not vary the premium rate due to age.

1           **Sec. 5. 24-A MRSA §2808-B, sub-§2, ¶C-1**, as enacted by PL 2011, c. 90, Pt. A,  
2 §7, is amended to read:

3           C-1. A carrier may vary the premium rate due to geographic area in accordance with  
4 the limitation set out in this paragraph. For all policies, contracts or certificates that  
5 are executed, delivered, issued for delivery, continued or renewed in this State ~~on or~~  
6 after between October 1, 2011 and December 31, 2021, the rating factor used by a  
7 carrier for geographic area may not exceed 1.5. For all policies, contracts or certificates  
8 that are executed, delivered, issued for delivery, continued or renewed in this State on  
9 or after January 1, 2022, a carrier may not vary the premium rate due to geographic  
10 area.

11           **Sec. 6. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,  
12 §11, is further amended by amending subparagraph (8) to read:

13           (8) For all policies, contracts or certificates that are executed, delivered, issued for  
14 delivery, continued or renewed in this State ~~on or after~~ between January 1, 2016  
15 and December 31, 2021, except as provided in subparagraph (10), the maximum  
16 rate differential due to age and group size filed by the carrier as determined by ratio  
17 is 5 to 1 to the extent permitted by the federal Affordable Care Act. The limitation  
18 does not apply for determining rates for an attained age of less than 19 years of age  
19 or more than 65 years of age. For all policies, contracts or certificates that are  
20 executed, delivered, issued for delivery, continued or renewed in this State on or  
21 after January 1, 2022, a carrier may not vary the premium rate due to age.

22           **Sec. 7. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,  
23 §11, is further amended by amending subparagraph (9) to read:

24           (9) For all policies, contracts or certificates that are executed, delivered, issued for  
25 delivery, continued or renewed in this State ~~on or after~~ between October 1, 2011  
26 and December 31, 2021, the maximum rate differential due to tobacco use filed by  
27 the carrier as determined by ratio is 1.5 to 1, except that the carrier may not apply  
28 a rate differential pursuant to this subparagraph when the covered individual is  
29 participating in an evidence-based tobacco cessation strategy approved by the  
30 United States Department of Health and Human Services, Food and Drug  
31 Administration. For all policies, contracts or certificates that are executed,  
32 delivered, issued for delivery, continued or renewed in this State on or after January  
33 1, 2022, a carrier may not vary the premium rate due to tobacco use.

34           **Sec. 8. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,  
35 §11, is further amended by amending subparagraph (10) to read:

36           (10) For all policies, contracts or certificates that are executed, delivered, issued  
37 for delivery, continued or renewed in this State ~~on or after the effective date of this~~  
38 Act between March 19, 2019 and December 31, 2021, the maximum rate  
39 differential due to age filed by the carrier as determined by ratio is 3 to 1 for  
40 individuals 21 years of age and older on the first day of coverage under the policy,  
41 contract or certificate. The variation in rate due to age must be actuarially justified  
42 for individuals under 21 years of age consistent with the uniform age rating curve  
43 adopted under this paragraph. For all policies, contracts or certificates that are

1 executed, delivered, issued for delivery, continued or renewed in this State on or  
2 after January 1, 2022, a carrier may not vary the premium rate due to age.

3 **Sec. 9. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,  
4 §11, is further amended by enacting a new subparagraph (11) to read:

5 (11) For all policies, contracts or certificates that are executed, delivered, issued  
6 for delivery, continued or renewed in this State between January 1, 2022 and  
7 December 31, 2022, the maximum rate differential due to group size filed by the  
8 carrier as determined by ratio is 3 to 1.

9 **Sec. 10. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,  
10 §11, is further amended by enacting a new subparagraph (12) to read:

11 (12) For all policies, contracts or certificates that are executed, delivered, issued  
12 for delivery, continued or renewed in this State between January 1, 2023 and  
13 December 31, 2023, the maximum rate differential due to group size filed by the  
14 carrier as determined by ratio is 2 to 1.

15 **Sec. 11. 24-A MRSA §2808-B, sub-§2, ¶D**, as amended by PL 2019, c. 5, Pt. A,  
16 §11, is further amended by enacting a new subparagraph (13) to read:

17 (13) 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, 2024, the  
19 maximum rate differential due to group size filed by the carrier as determined by  
20 ratio is 1.5 to 1.

## 21 SUMMARY

22 This bill prohibits insurance carriers providing individual health plans or small group  
23 health plans from varying premium rates based on age, geographic location or tobacco use  
24 on or after January 1, 2022. The bill also reduces the permitted variation based on group  
25 size to 1.5 to 1 for small group plans over time.