

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the amendment in Part A in section 1 by striking out all of paragraph C (page 1, lines 17 to 21 in amendment) and inserting the following:

~~'C. A carrier may vary the premium rate due to smoking status and family membership. The superintendent may adopt rules setting forth appropriate methodologies regarding rate discounts based on smoking status. Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter H-A2-A.'~~

Amend the amendment in Part A by inserting after section 1 the following:

**'Sec. A-2. 24-A MRSA §2736-C, sub-§2, ¶C-1** is enacted to read:

C-1. A carrier may vary the premium rate due to geographic area in accordance with the limitation set out in this paragraph. For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 2012, the rating factor used by a carrier for geographic area may not exceed 1.5.'

Amend the amendment in Part A in section 2 in paragraph D in the first and 2nd lines (page 1, lines 24 and 25 in amendment) by striking out the following: "age and geographic area" and inserting the following: 'age and, geographic area and'

Amend the amendment in Part A in section 2 in paragraph D in subparagraph (5) in the 3rd line (page 2, line 31 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 2 in paragraph D in subparagraph (5) in the 5th line (page 2, line 33 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 3.'

Amend the amendment in Part A in section 2 in paragraph D in subparagraph (6) in the 3rd line (page 2, line 36 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 2 in paragraph D in subparagraph (6) in the 5th line (page 2, line 38 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 4.'

Amend the amendment in Part A in section 2 in paragraph D in subparagraph (7) in the 3rd line (page 2, line 41 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 2 in paragraph D in subparagraph (7) in the 5th line (page 2, line 43 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the

highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 5.'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (1) in the 3rd line (page 3, line 16 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (1) in the last line (page 3, line 18 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 2.'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (2) in the 3rd line (page 3, line 21 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (2) in the last line (page 3, line 23 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 2.5.'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (3) in the 3rd line (page 3, line 26 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (3) in the 5th line (page 3, line 28 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 3.'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (4) in the 3rd line (page 3, line 31 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (4) in the 5th line (page 3, line 33 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 4.'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (5) in the 3rd line (page 3, line 36 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 4 in paragraph I in subparagraph (5) in the 5th line (page 3, line 38 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 5.'

Amend the amendment in Part A in section 5 in paragraph C in the first and 2nd lines (page 4, lines 16 and 17 in amendment) by striking out the following: "geographic area."

Amend the amendment in Part A in section 5 in paragraph C in the 5th line (page 4, line 20 in amendment) by striking out the following: "geographic area."

Amend the amendment in Part A in section 6 in paragraph D in subparagraph (4) in the 3rd line (page 4, line 43 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 6 in paragraph D in subparagraph (4) in the last line (page 5, line 2 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 2.'

Amend the amendment in Part A in section 6 in paragraph D in subparagraph (5) in the 3rd line (page 5, line 5 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 6 in paragraph D in subparagraph (5) in the last line (page 5, line 7 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 2.5.'

Amend the amendment in Part A in section 6 in paragraph D in subparagraph (6) in the 3rd line (page 5, line 10 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 6 in paragraph D in subparagraph (6) in the 5th line (page 5, line 12 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 3.'

Amend the amendment in Part A in section 6 in paragraph D in subparagraph (7) in the 3rd line (page 5, line 15 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 6 in paragraph D in subparagraph (7) in the 5th line (page 5, line 17 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 4.'

Amend the amendment in Part A in section 6 in paragraph D in subparagraph (8) in the 3rd line (page 5, line 20 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 6 in paragraph D in subparagraph (8) in the 5th line (page 5, line 22 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 5.'

Amend the amendment in Part A in section 8 in paragraph H in subparagraph (1) in the 3rd line (page 5, line 38 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 8 in paragraph H in subparagraph (1) in the last line (page 5, line 40 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 2.'

Amend the amendment in Part A in section 8 in paragraph H in subparagraph (2) in the 3rd line (page 6, line 1 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 8 in paragraph H in subparagraph (2) in the last line (page 6, line 3 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 2.5.'

Amend the amendment in Part A in section 8 in paragraph H in subparagraph (3) in the 3rd line (page 6, line 6 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 8 in paragraph H in subparagraph (3) in the 5th line (page 6, line 8 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 3.'

Amend the amendment in Part A in section 8 in paragraph H in subparagraph (4) in the 3rd line (page 6, line 11 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 8 in paragraph H in subparagraph (4) in the 5th line (page 6, line 13 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 4.'

Amend the amendment in Part A in section 8 in paragraph H in subparagraph (5) in the 3rd line (page 6, line 16 in amendment) by inserting after the following: "age" the following: 'and geographic area'

Amend the amendment in Part A in section 8 in paragraph H in subparagraph (5) in the 5th line (page 6, line 18 in amendment) by inserting after the following: "65 years of age." the following: 'In determining the rating factor for geographic area pursuant to this subparagraph, the ratio between the highest and lowest rating factor used by a carrier for geographic area may not exceed 1.5 and the ratio between highest and lowest combined rating factors for age and geographic area may not exceed 5.'

Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

## SUMMARY

Committee Amendment "A" changes the laws governing community rating for individual and small group health insurance as they relate to age, smoking status and geographic area. This amendment

eliminates the changes relating to geographic area, thus including rating on the basis of geographic area inside of the rating bands for age instead of allowing rating outside of the bands.

This amendment further restricts rating on the basis of geographic area within the bands to a factor of 1.5.