

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

Amend the bill by striking out everything after the enacting clause and inserting the following:

‘**Sec. 1. 24-A MRSA §2452-A** is enacted to read:

**§ 2452-A. Employee benefit excess insurance for small groups; rating practices**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

- A. "Carrier" means an entity authorized to issue employee benefit excess insurance in this State.
- B. "Eligible employee" means an employee who is eligible for a small employer's sponsored health benefit plan and includes a sole proprietor, a partner of a partnership and an independent contractor, if these individuals are included as employees under the small employer's health benefit plan.
- C. "Employee" means an employee as defined under the federal Employee Retirement Income Security Act of 1974.
- D. "Enrolled employee" means an eligible employee who has elected coverage in the small employer's sponsored health benefit plan.
- E. "Premium rate" means the total amount due from a small employer to a carrier for the provision of employee benefit excess insurance.
- F. "Small employer" means an employer eligible for a small group health plan under section 2808-B or under the federal Affordable Care Act.

**2. Rating practices.** The following requirements apply to the rating practices of carriers providing employee benefit excess insurance to small employers.

- A. A carrier may not vary the premium rate due to the gender, health status, claims experience or policy duration of the group of eligible employees or members of the group or any other rating factor not specified in this section.
- B. A carrier may vary the premium rate by using the following allowable case characteristics:
  - (1) The attained ages of the covered population;
  - (2) The geographic area of the small employer; and
  - (3) The family status of the enrolled employees.

C. For purposes of paragraph B, a carrier may use approximations to calculate allowable case characteristics as long as any approximation method used by a carrier is applied uniformly among all small employers. An acceptable approximation method includes using the attained ages of enrolled employees with tier-based membership factors to approximate the attained ages of the covered population or using a prior census to estimate the actual enrollment.

D. The premium rates calculated at issue, or at renewal, may not change during the policy year if the allowable case characteristics of a small employer group change.

**3. Reporting.** Beginning March 15, 2021, and annually thereafter, a carrier offering employee benefit excess insurance to small employers shall file a report with the superintendent detailing for the prior calendar year any instances in which the carrier declined to offer coverage as applied for and any instances in which the carrier's quoted renewal premium rate represented an increase larger than 20% to a small employer. The report must be provided in a form and manner determined by the superintendent and include the following information, at a minimum: the identification number for the policyholder; the number of enrolled employees in both the calendar year for which the report is made and the prior calendar year, if known; and the reason the carrier declined to offer coverage to the small employer or the reason for the carrier's premium increase for the small employer.'

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

## SUMMARY

This amendment is the minority report of the committee and replaces the bill. The amendment sets forth requirements for rating of employee benefit excess insurance offered to small employers and for reporting information related to employee benefit excess insurance for small employers to the Superintendent of Insurance.