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**INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
128TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 549, L.D. 769, Bill, “An Act To Eliminate Insurance Rating Based on Age, Geographic Location or Smoking History and To Reduce Rate Variability Due to Group Size”

Amend the bill by striking out the title and substituting the following:

**'An Act To Reduce Insurance Rate Variability Due to Geographic Location or Tobacco Use and To Maintain Current Rating Based on Age and Group Size'**

Amend the bill in section 1 by striking out all of paragraph C-1 (page 1, lines 4 to 11 in L.D.) and inserting the following:

'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~~ between July 1, 2012 and December 31, 2018, the rating factor used by a carrier for geographic area may not exceed 1.5. For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2019, the rating factor used by a carrier for geographic area may not exceed 1.2.'

Amend the bill in section 2 in paragraph D by striking out all of subparagraphs (7) and (8) (page 1, lines 39 to 41 and page 2, lines 1 to 13 in L.D.) and inserting the following:

'(7) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State ~~on or after~~ between January 1, 2015 and December 31, 2018, the maximum rate differential due to age filed by the carrier as determined by ratio is 5 to 1 to the extent permitted by the federal Affordable Care Act. The limitation does not apply for determining rates for an attained age of less than 19 years of age or more than 65 years of age. For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2019, the maximum rate differential due to age filed by the carrier as determined by ratio is 3 to 1. The

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

3 (8) For all policies, contracts or certificates that are executed, delivered, issued  
4 for delivery, continued or renewed in this State ~~on or after~~ between July 1, 2012  
5 and December 31, 2018, the maximum rate differential due to tobacco use filed  
6 by the carrier as determined by ratio is 1.5 to 1. For all policies, contracts or  
7 certificates that are executed, delivered, issued for delivery, continued or renewed  
8 in this State on or after January 1, 2019, the maximum rate differential due to  
9 tobacco use filed by the carrier as determined by ratio is 1.2 to 1.'

10 Amend the bill in section 3 in paragraph I by striking out all of subparagraphs (5) and  
11 (6) (page 3, lines 1 to 16 in L.D.) and inserting the following:

12 '(5) For all policies, contracts or certificates that are executed, delivered, issued  
13 for delivery, continued or renewed in this State ~~on or after~~ between January 1,  
14 2016 and December 31, 2018, the maximum rate differential due to age filed by  
15 the carrier as determined by ratio is 5 to 1 to the extent permitted by the federal  
16 Affordable Care Act. The limitation does not apply for determining rates for an  
17 attained age of less than 19 years of age or more than 65 years of age. For all  
18 policies, contracts or certificates that are executed, delivered, issued for delivery,  
19 continued or renewed in this State on or after January 1, 2019, the maximum rate  
20 differential due to age filed by the carrier as determined by ratio is 3 to 1. The  
21 limitation does not apply for determining rates for an attained age of less than 19  
22 years of age or more than 65 years of age.

23 (6) For all policies, contracts or certificates that are executed, delivered, issued  
24 for delivery, continued or renewed in this State ~~on or after~~ between July 1, 2012  
25 and December 31, 2018, the maximum rate differential due to tobacco use filed  
26 by the carrier as determined by ratio is 1.5 to 1. For all policies, contracts or  
27 certificates that are executed, delivered, issued for delivery, continued or renewed  
28 in this State on or after January 1, 2019, the maximum rate differential due to  
29 tobacco use filed by the carrier as determined by ratio is 1.2 to 1.'

30 Amend the bill in section 4 by striking out all of paragraph C-1 (page 3, lines 23 to 30  
31 in L.D.) and inserting the following:

32 'C-1. A carrier may vary the premium rate due to geographic area in accordance with  
33 the limitation set out in this paragraph. For all policies, contracts or certificates that  
34 are executed, delivered, issued for delivery, continued or renewed in this State ~~on or~~  
35 ~~after~~ between October 1, 2011 and December 31, 2018, the rating factor used by a  
36 carrier for geographic area may not exceed 1.5. For all policies, contracts or  
37 certificates that are executed, delivered, issued for delivery, continued or renewed in  
38 this State on or after January 1, 2019, the rating factor used by a carrier for  
39 geographic area may not exceed 1.2.'

40 Amend the bill in section 5 in paragraph D in subparagraph (8) in the 3rd line (page  
41 4, line 30 in L.D.) by striking out the following: "2017" and inserting the following:  
42 '2018'

1 Amend the bill in section 5 in paragraph D by striking out all of subparagraphs (9) to  
2 (13) (page 4, lines 35 to 44 and page 5, lines 1 to 12 in L.D.) and inserting the following:

3 '(9) For all policies, contracts or certificates that are executed, delivered, issued  
4 for delivery, continued or renewed in this State ~~on or after~~ between October 1,  
5 2011 ~~and December 31, 2018~~, the maximum rate differential due to tobacco use  
6 filed by the carrier as determined by ratio is 1.5 to 1. ~~For all policies, contracts or~~  
7 ~~certificates that are executed, delivered, issued for delivery, continued or renewed~~  
8 ~~in this State on or after January 1, 2019, the maximum rate differential due to~~  
9 ~~tobacco use filed by the carrier as determined by ratio is 1.2 to 1.~~

10 (10) For all policies, contracts or certificates that are executed, delivered, issued  
11 for delivery, continued or renewed in this State on or after January 1, 2019, the  
12 maximum rate differential due to age and group size filed by the carrier as  
13 determined by ratio is 3 to 1. The limitation does not apply for determining rates  
14 for an attained age of less than 19 years of age or more than 65 years of age.'

15 Amend the bill in section 6 in paragraph H in subparagraph (5) in the 3rd line (page  
16 6, line 5 in L.D.) by striking out the following: "2017" and inserting the following: '2018'

17 Amend the bill in section 6 in paragraph H by striking out all of subparagraphs (6) to  
18 (10) (page 6, lines 10 to 31 in L.D.) and inserting the following:

19 '(6) For all policies, contracts or certificates that are executed, delivered, issued  
20 for delivery, continued or renewed in this State ~~on or after~~ between October 1,  
21 2011 ~~and December 31, 2018~~, the maximum rate differential due to tobacco use  
22 filed by the carrier as determined by ratio is 1.5 to 1. ~~For all policies, contracts or~~  
23 ~~certificates that are executed, delivered, issued for delivery, continued or renewed~~  
24 ~~in this State on or after January 1, 2019, the maximum rate differential due to~~  
25 ~~tobacco use filed by the carrier as determined by ratio is 1.2 to 1.~~

26 (7) For all policies, contracts or certificates that are executed, delivered, issued  
27 for delivery, continued or renewed in this State on or after January 1, 2019, the  
28 maximum rate differential due to age and group size filed by the carrier as  
29 determined by ratio is 3 to 1. The limitation does not apply for determining rates  
30 for an attained age of less than 19 years of age or more than 65 years of age.'

### 31 SUMMARY

32 This amendment is the minority report of the committee. The amendment reduces  
33 the maximum rate differential in premium rates for individual and small group health  
34 insurance policies on or after January 1, 2019 on the basis of geographic area from 1.5 to  
35 1.2 and tobacco use as determined by ratio from 1.5 to 1 to 1.2 to 1 and maintains the rate  
36 differential due to age and group size at 3 to 1. The bill prohibits insurance carriers  
37 providing individual health plans or small group health plans from varying premium rates  
38 based on age, geographic location or tobacco use on or after January 1, 2018.