



General Assembly

February Session, 2024

**Raised Bill No. 404**

LCO No. 2226



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

***AN ACT CONCERNING AFFORDABILITY AS A FACTOR IN PREMIUM RATE FILINGS FOR INDIVIDUAL AND GROUP HEALTH INSURANCE POLICIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 38a-481 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective January*  
3 *1, 2025*):

4 (b) (1) No rate filed under the provisions of subsection (a) of this  
5 section shall be effective until it has been approved by the commissioner  
6 in accordance with regulations adopted pursuant to this subsection.

7 (2) The commissioner shall adopt regulations, in accordance with the  
8 provisions of chapter 54, to prescribe standards to ensure that such rates  
9 shall not be excessive, inadequate or unfairly discriminatory. The  
10 commissioner may disapprove such rate if it fails to comply with such  
11 standards, except that no rate filed under the provisions of subsection  
12 (a) of this section for any Medicare supplement policy shall be effective  
13 unless approved in accordance with section 38a-474.

14       (3) (A) The commissioner shall adopt regulations, in accordance with  
15 the provisions of chapter 54, to prescribe standards to ensure that any  
16 rate filed under the provisions of subsection (a) of this section includes  
17 an evaluation of the affordability of each policy offered by the insurer.  
18 Such evaluation shall include an assessment of the total costs for the  
19 coverage provided under such policy, including, but not limited to,  
20 premium rates, and out-of-pocket expenses for covered benefits and  
21 services under the policy, including coinsurance, copayments,  
22 deductibles or other out-of-pocket expenses required under the policy.

23       (B) Each rate filed under the provisions of subsection (a) of this  
24 section on or after January 1, 2025, shall include, in clear and readily  
25 understandable language approved by the commissioner, information  
26 identifying the insurer's low, median and high range for utilization of  
27 covered benefits and services under such policy.

28       Sec. 2. Subsection (a) of section 38a-513 of the general statutes is  
29 repealed and the following is substituted in lieu thereof (*Effective January*  
30 *1, 2025*):

31       (a) (1) No group health insurance policy, as defined by the  
32 commissioner, or certificate shall be delivered or issued for delivery in  
33 this state unless a copy of the form for such policy or certificate has been  
34 submitted to and approved by the commissioner under the regulations  
35 adopted pursuant to this section. The commissioner shall adopt  
36 regulations, in accordance with the provisions of chapter 54, concerning  
37 the provisions, submission and approval of such policies and certificates  
38 and establishing a procedure for reviewing such policies and  
39 certificates. The commissioner shall disapprove the use of such form at  
40 any time if it does not comply with the requirements of law, or if it  
41 contains a provision or provisions that are unfair or deceptive or that  
42 encourage misrepresentation of the policy. The commissioner shall  
43 notify, in writing, the insurer that has filed any such form of the  
44 commissioner's disapproval, specifying the reasons for disapproval,  
45 and ordering that no such insurer shall deliver or issue for delivery to  
46 any person in this state a policy on or containing such form. The

47 provisions of section 38a-19 shall apply to such order.

48 (2) No group health insurance policy or certificate for a small  
49 employer, as defined in section 38a-564, shall be delivered or issued for  
50 delivery in this state unless the premium rates have been submitted to  
51 and approved by the commissioner. Premium rate filings shall include  
52 the information and data required under section 38a-479qqq if the policy  
53 is subject to said section, and an actuarial memorandum that includes,  
54 but is not limited to, pricing assumptions and claims experience, and  
55 premium rates and loss ratios from the inception of the policy. Each  
56 premium rate filed on or after January 1, 2021, shall, if the insurer  
57 intends to account for rebates, as defined in section 38a-479ooo in the  
58 manner specified in section 38a-479rrr, account for such rebates in such  
59 manner, if the policy is subject to section 38a-479rrr. As used in this  
60 subdivision, "loss ratio" means the ratio of incurred claims to earned  
61 premiums by the number of years of policy duration for all combined  
62 durations.

63 (3) (A) The commissioner shall adopt regulations, in accordance with  
64 the provisions of chapter 54, to prescribe standards to ensure that any  
65 rate filed under the provisions of this section includes an evaluation of  
66 the affordability of each policy offered by the insurer. Such evaluation  
67 shall include an assessment of the total costs for the coverage provided  
68 under such policy, including, but not limited to, premium rates, and  
69 out-of-pocket expenses for covered benefits and services under the  
70 policy, including coinsurance, copayments, deductibles or other out-of-  
71 pocket expenses required under the policy.

72 (B) Each rate filed under the provisions of this section on or after  
73 January 1, 2025, shall include, in clear and readily understandable  
74 language approved by the commissioner, information identifying the  
75 insurer's low, median and high range for utilization of covered benefits  
76 and services under such policy.

This act shall take effect as follows and shall amend the following sections:
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Section 1	<i>January 1, 2025</i>	38a-481(b)
Sec. 2	<i>January 1, 2025</i>	38a-513(a)

**Statement of Purpose:**

To require: (1) The Insurance Commissioner to adopt regulations to establish affordability as a factor in reviewing individual and group health insurance policy premium rate filings; and (2) insurers to provide information concerning total cost ranges for such insurer's policies.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*