

ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE CREATING A RULE

To create Ins 8.52 (4), Wis. Adm. Code, relating to publication of health insurance rates for small employers.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41, 635.05 (7) & 635.12, Stats.

Statutes interpreted: ss. 600.01, 635.05 (7) & 635.12, Stats.

Analysis: Section 635.12, Stats. (2001 Wisconsin Act 16) requires every small employer insurer to annually publish current new business premium rates in the manner and according to categories required by rule of the commissioner. The purpose of this proposed rule is to comply with this legislative mandate. The commissioner has determined that the most practical method of accomplishing this is to require small employer insurers to annually report their rates to the commissioner based on uniform criteria reported in a consistent format. Therefore the commissioner will provide a form for the small employer insurers to report rates. The form will follow the reporting criteria specified in this rule. The commissioner will publish the information gathered from all small employer insurers in a manner that will assist small employers to readily compare the rates. **This publication will, by placing the information on OCI's website and in pamphlet form, be similar to other rate comparison documents currently in use for other forms of insurance.** Small employer insurers who file rates with the commissioner as described in this rule will be in compliance with the requirements of s. 635.12, Stats. and need not publish the rates themselves.

SECTION 1. Section Ins 8.52 (4) is created to read:

(4) ANNUAL PUBLICATION OF RATES. (a) On or before December 1, every small employer insurer shall annually file with the commissioner the small employer insurer's lowest available monthly new business **premium** rates which will be in effect the following January 1. The filing shall be made on a form provided by the commissioner and shall require all of the following information as may apply to the type of plan offered:

1. For an indemnity plan, the rates shall be based on the insurer's plan that is closest to a plan that features a \$500.00 annual deductible and 80% / 20% coinsurance.
2. For a defined network plan, the rates shall be based on a plan which is actuarially equivalent to the features described in subd. 1.
3. For all plans, the rates shall be specified for family and single plans, by group size and by the geographical criteria that are used by the insurer.
4. The commissioner may require additional information be provided in the form as appropriate to implement this subsection.

Note: OCI 26-500, the form described in this subsection may be obtained without charge by contacting the Office of the Commissioner of Insurance PO Box 7873, Madison WI. 53707-7873. The form is also available on the OCI website at oci.wi.gov

(b) Small employer insurers who file rates with the commissioner as described in this subsection will be in compliance with the requirements of s. 635.12, Stats.

SECTION . These changes will take effect on the first day of the month after publication, as provided in s. 227.22(2)(intro.), Stats.

Dated at Madison, Wisconsin, this _____ day of September, 2002

Connie L. O'Connell
Commissioner of Insurance

FISCAL ESTIMATE WORKSHEET — 2001 Session

Detailed Estimate of Annual Fiscal Effect

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB Number	Amendment No. if Applicable
Bill Number	Administrative Rule Number INS 8.52(4)

Subject
 small employer health insurance

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
 None

Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ 0	\$ -0
(FTE Position Changes)	(0 FTE)	(-0 FTE)
State Operations - Other Costs	0	-0
Local Assistance	0	-0
Aids to Individuals or Organizations	0	-0
TOTAL State Costs by Category	\$ 0	\$ -0
B. State Costs by Source of Funds		
GPR	\$ 0	\$ -0
FED	0	-0
PRO/PRS	0	-0
SEG/SEG-S	0	-0
C. State Revenues <small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
GPR Taxes	\$ 0	\$ -0
GPR Earned	0	-0
FED	0	-0
PRO/PRS	0	-0
SEG/SEG-S	0	-0
TOTAL State Revenues	\$ 0 None	\$ -0 None

NET ANNUALIZED FISCAL IMPACT

NET CHANGE IN COSTS	\$ <u>STATE</u> None 0	\$ <u>LOCAL</u> None 0
NET CHANGE IN REVENUES	\$ None 0	\$ None 0

Prepared by: Stephen Mueller	Telephone No. (608) 267-2833	Agency Insurance
Authorized Signature:	Telephone No.	Date (mm/dd/ccyy)

