S-3874.1

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**SENATE BILL 6416**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Senators Kuderer, Conway, Frockt, Hasegawa, and Rolfes

AN ACT Relating to requiring the insurance commissioner to review a health carrier's surplus levels as part of its rate filing review process; adding a new section to chapter 48.43 RCW; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature finds that at a time of increasing uncertainty in the health insurance market, Washington patients are facing higher health care costs. The office of the insurance commissioner must be provided the necessary tools to assist in reducing health insurance premiums and out-of-pocket costs. The legislature further finds that by allowing the insurance commissioner to review health insurance carrier's surplus levels, the insurance commissioner will be better able to judge the reasonableness of a health carrier's rate filing.

NEW SECTION. **Sec.**  A new section is added to chapter 48.43 RCW to read as follows:

(1) For individual and small group rate filings with an effective date on or after January 1, 2019, submitted by a nonprofit health carrier for either the individual or small group markets, the commissioner must review the carrier's surplus levels as an element in determining the reasonableness of the proposed rate.

(2) In reviewing the surplus, the commissioner must take into consideration the capital facility needs for carriers maintaining and operating hospital and clinical facilities.

(3) Except as provided in subsection (1) of this section, this section does not affect the rate review authority granted to the commissioner by chapter 48.19, 48.44, or 48.46 RCW.

NEW SECTION. **Sec.**  If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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