
Health Care & Wellness Committee

ESSB 6097

Brief Description: Requiring the insurance commissioner to review a health carrier's surplus, capital, or profit levels as part of its rate filing review process.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Rolfes, Kuderer, Pedersen, Frockt, Conway, Randall, Carlyle and Saldaña).

<p style="text-align: center;">Brief Summary of Engrossed Substitute Bill</p> <ul style="list-style-type: none">• Allows the Insurance Commissioner to review a carrier's surplus, capital, or profit levels when reviewing premium rates for the individual or small group market.
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Hearing Date: 2/26/20

Staff: Jim Morishima (786-7191).

Background:

The Insurance Commissioner (Commissioner) reviews insurance rates in both the individual and small group markets and may disapprove the rates if they are unreasonable in relation to the benefits in the agreement. Insurers are required to file their individual and group rates with the Commissioner. As part of those filings, carriers must provide an actuarially sound provision for contribution to surplus, contingency charges, or risk charges. Surplus contribution is one of the factors considered by the Commissioner when reviewing rates.

Summary of Bill:

For individual and small group market rate filings with an effective date on or after January 1, 2021, the Insurance Commissioner (Commissioner) may review the carrier's surplus, capital, or profit levels as an element in determining the reasonableness of the proposed rate. In reviewing the surplus, capital, or profit levels, the Commissioner must take into consideration whether a carrier's holding company offers a qualified health plan in every county of the state and the current capital facility needs for carriers, including those maintaining and operating hospital and

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clinical facilities. This authority does not affect the Commissioner's rate review authority or the requirement that all approved individual and small group market rates be actuarially sound.

The Commissioner may adopt rules to implement these requirements.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.