

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:	
A. State Costs by Category	Increased Costs	Decreased Costs
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	Increased Costs	Decreased Costs
GPR	\$ 0	\$ -0
FED	0	-0
PRO/PRS	0	-0
SEG/SEG-S	0	-0
C. State Revenues	Increased Rev.	Decreased Rev.
GPR Taxes <small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>	\$ 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

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

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Authorized Signature:	Telephone No.	Date (mm/dd/ccyy)

FISCAL ESTIMATE — 2001 Session

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 CORRECTED SUPPLEMENTAL

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 small employer health insurance

Fiscal Effect
State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

<input type="checkbox"/> Increase Existing Appropriation	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriation	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation		

Local: No local government costs

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	Affected Chapter 20 Appropriations
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Assumptions Used in Arriving at Fiscal Estimate

Long-Range Fiscal Implications
None

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