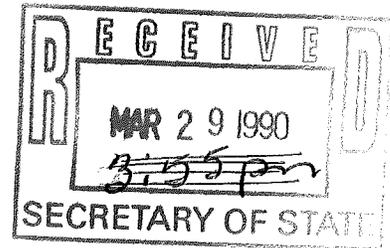


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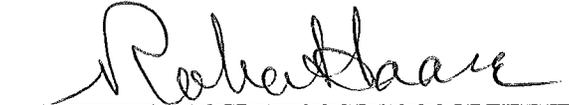
STATE OF WISCONSIN)
OFFICE OF THE COMMISSIONER OF INSURANCE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Robert D. Haase, Commissioner of Insurance and custodian of the official records of this Office, do hereby certify that the annexed order repealing and recreating a rule relating to premiums and rate zoning for the Health Insurance Risk Sharing Plan was issued by this Office March 28, 1990.

I further certify that I have compared this copy with the original on file in this Office and that it is a true copy of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name in the City of Madison, State of Wisconsin, this 28th day of March, 1990.


Robert D. Haase
Commissioner of Insurance

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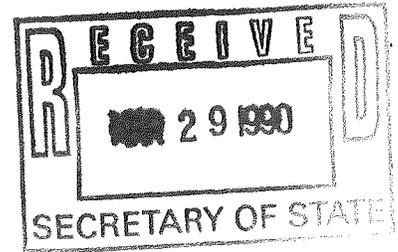
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ORDER OF THE COMMISSIONER OF INSURANCE

REPEALING AND RECREATING A RULE

To repeal and recreate Ins 18.07 (5) (b) 1 and 2, relating to premiums and rate zoning for the health insurance risk sharing plan.

ANALYSIS BY THE COMMISSIONER OF INSURANCE

Statutory Authority: Sections 601.41 (3) and 619.14 (5) (a), Stats.

Statutes Interpreted: Sections 619.14 (5) (a) and 619.17 (1) and (2), Stats.

Section 619.14 (5) (a), Stats., requires the commissioner of insurance to set by rule premiums for the health insurance risk sharing plan (HIRSP). Section Ins 18.07 (5) (b) 1 establishes the schedule of premiums. Section Ins 18.07 (5) (b) 2 establishes rate zones. This rule modifies the schedule of premiums and the rate zones.

The HIRSP actuarial advisory committee surveyed insurers to determine the standard individual premium charged by these insurers to Wisconsin insureds. HIRSP premiums are capped at 150% of such standard rates. As a result of the survey, the committee found that current HIRSP premiums are below 150% of standard rates. The committee recommended to the HIRSP board an increase in HIRSP premiums.

The actuarial advisory committee also recommended that the board create additional rating zones. This would allow HIRSP rates to more closely

reflect the cost of medical care in various Wisconsin locations. Medical treatment costs vary from one location to another. A more specific rate zoning structure assures that HIRSP policyholders pay a premium that more closely reflects the medical treatment costs in the location where the policyholder lives.

The board adopted both of the committee's recommendations. This rule carries out both recommendations. It does so by increasing premium levels and by creating 4, instead of the current 2, rate zones. The 4 zones are as follows: Zone 1 representing zip codes beginning with 532; Zone 2 representing zip codes beginning with 530, 531, 534 and 537; Zone 3 representing zip codes not represented in Zones 1, 2 and 4; and Zone 4 representing zip codes beginning with 540 and 547.

SECTION 1. Ins 18.07 (5) (b) 1 and 2 are repealed and recreated to read:

Ins 18.07 (5) (b) 1. The schedule of premiums, based on data compiled from the health insurance industry, shall be as follows:

MAJOR MEDICAL PLAN

Male

<u>Age Group</u>	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>
		Zone 1	
0-18	720	360	180
19-29	720	360	180
30-39	848	424	212
40-44	1,092	546	273
45-49	1,332	666	333
50-54	1,640	820	410
55-59	2,064	1,032	516
60-64	2,480	1,240	620

<u>Age Group</u>	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>
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Zone 2

0-18	676	338	169
19-29	676	338	169
30-39	820	410	205
40-44	996	498	249
45-49	1,216	608	304
50-54	1,476	738	369
55-59	1,856	928	464
60-64	2,232	1,116	558

Zone 3

0-18	576	288	144
19-29	576	288	144
30-39	700	350	175
40-44	872	436	218
45-49	1,064	532	266
50-54	1,312	656	328
55-59	1,652	826	413
60-64	1,984	992	496

Zone 4

0-18	676	338	169
19-29	676	338	169
30-39	820	410	205
40-44	996	498	249
45-49	1,216	608	304
50-54	1,468	734	367
55-59	1,784	892	446
60-64	2,140	1,070	535

Female

<u>Age Group</u>	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>
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Zone 1

0-18	720	360	180
19-29	1,212	606	303
30-39	1,368	684	342
40-44	1,552	776	388
45-49	1,668	834	417
50-54	1,796	898	449
55-59	1,924	962	481
60-64	2,104	1,052	526

<u>Age Group</u>	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>
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Zone 2

0-18	676	338	169
19-29	1,092	546	273
30-39	1,232	616	308
40-44	1,396	698	349
45-49	1,500	750	375
50-54	1,616	808	404
55-59	1,732	866	433
60-64	1,904	952	476

Zone 3

0-18	576	288	144
19-29	968	484	242
30-39	1,096	548	274
40-44	1,240	620	310
45-49	1,336	668	334
50-54	1,436	718	359
55-59	1,540	770	385
60-64	1,684	842	421

Zone 4

0-18	676	338	169
19-29	1,040	520	260
30-39	1,192	596	298
40-44	1,320	660	330
45-49	1,420	710	355
50-54	1,540	770	385
55-59	1,660	830	415
60-64	1,904	952	476

MEDICARE PLAN

<u>Age Group</u>	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>
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Zone 1

All policyholders	\$1,136	\$568	\$284
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Zone 2

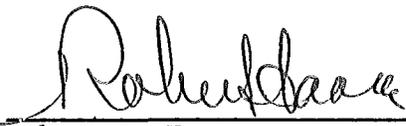
All policyholders	\$1,136	\$568	\$284
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<u>Age Group</u>	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>
		Zone 3	
All policyholders	\$1,024	\$512	\$256
		Zone 4	
All policyholders	\$1,136	\$568	\$284

2. For the purposes of par. (a), Zone 1 shall contain all of the Wisconsin postal zip code area in which the first 3 digits are 532. Zone 2 shall contain postal zip code areas in which the first 3 digits are 530, 531, 534 and 537. Zone 3 shall contain postal zip code areas not contained in Zones 1, 2 or 4. Zone 4 shall contain postal zip code areas in which the first 3 digits are 540 and 547.

EFFECTIVE DATE. Pursuant to s. 227.22 (2) (b), Stats., this rule takes effect on June 1, 1990.

Dated this 28th day of March, 1990.



 Robert D. Haase
 Commissioner of Insurance

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