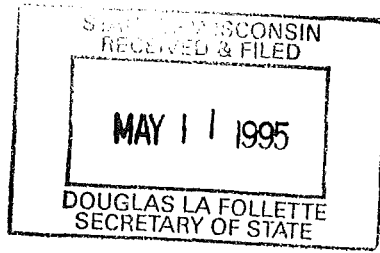


CR 95-15



STATE OF WISCONSIN )  
OFFICE OF THE COMMISSIONER OF INSURANCE )

I, Josephine W. Musser, Commissioner of Insurance and custodian of the official records of this office, certify that the attached rule-making order affecting ss. Ins 18.06 and 18.07, Wis. Adm. Code, relating to 1995-96 premium rates for HIRSP, the Annual Assessment Form, and errors in the same, was issued by this office on May 10, 1995.

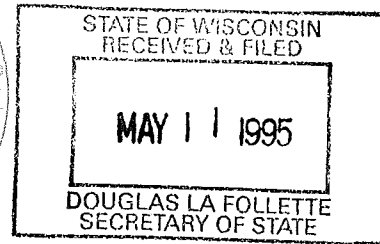
I further certify that I have compared this copy with the original on file in this office and that it is a true copy of the whole of the original.

Dated at Madison, Wisconsin, this 10th day of May 1995.

*Josephine W. Musser*  
Josephine W. Musser  
Commissioner of Insurance

870R

17-1-95



ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

RENUMBERING, REPEALING AND RECREATING, AND CREATING A RULE

To renumber Ins 18.06; to repeal and recreate s. Ins 18.07 (5) (b) and (bg) 1 and 2 and to create Ins 18.06 (2), (3), (4) and Note, relating to 1995-96 premium rates for the health insurance risk-sharing plan, the annual assessment form filing and errors in the same.

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ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 619.11, 619.14 (5) (a) and 619.15 (5), Stats.

Statutes interpreted: ss. 619.14 (5) (a), 619.165 (1) and 619.17 (1) and (2), Stats.

This rule makes a number of changes in the rules governing the administration of the health insurance risk-sharing plan (HIRSP), which offers health insurance for persons who are unable to obtain insurance or who have difficulty in obtaining it in the private market. The changes, as approved by HIRSP's board of governors, are as follows:

### 1995-96 Premiums

The HIRSP board is required to set the annual premiums by rule. The rates must be calculated in accordance with generally accepted actuarial principles and must be set at 60% of HIRSP's operating and administrative costs. This rule sets the premium rates for the year beginning July 1, 1995, for both the standard plan and the medicare plan for persons under age 65. For those persons not entitled to a premium reduction on the basis of low income, the rates represent an average increase of 19%.

For low-income persons entitled to a reduction, the premiums are based on a percentage (specified in the statutes) of the rate a standard risk would be charged under an individual policy providing substantially the same coverage and deductibles provided by HIRSP. This rule establishes the "standard risk" rate tables by age, sex and geographic location for the year beginning July 1, 1995, for use in calculating the reduced premiums. The increases average 12%.

### Annual Assessment Form Filing; Errors in Same

This rule requires insurers to file the HIRSP assessment form with the office of the commissioner of insurance (OCI) at the time of the insurer's annual statement filing.

This rule allows an insurer to file a corrected report in the event errors are found in the information provided in the HIRSP assessment form. If an error in reporting resulted in overpayment by the insurer, this rule allows the HIRSP board to grant a refund or credit only in the current or prior fiscal year assessment.

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SECTION 1. Ins 18.06 is renumbered Ins 18.06 (1).

SECTION 2. Ins 18.06 (2), (3), (4) and NOTE are created to read:

Ins 18.06 (2) Every insurer shall file the form "Wisconsin health insurance risk-sharing plan assessment form," with its annual statement filing with the office.

(3) An insurer that makes an error in its assessment form that results in an underpayment of assessments to the plan shall file a corrected assessment form with the office within 30 days after the error is discovered.

(4) An insurer that makes an error in an assessment form that results in an overpayment of assessments to the plan shall, at any time, file a corrected assessment form with the office. If the overpayment resulted from an assessment form filed in the previous calendar year, the plan shall credit the insurer's next annual assessment under s. 619.13 (1), Stats., for the amount of the overpayment. If the insurer does not owe any amount for the next annual assessment, the plan shall refund the amount of the overpayment. No credit or refund shall be granted for an error in an assessment form filed in any year prior to the previous calendar year.

**Note:** The form referenced in sub. (2), OCI 43-003, may be obtained from the Office of the Commissioner of Insurance, P. O. Box 7873, Madison, Wisconsin 53707-7873.

SECTION 3. Ins 18.07 (5) (b) and (bg) 1 and 2 are repealed and recreated to read:

Ins 18.07 (5) (b) The schedule of annual premiums for the period from July 1, 1995, to June 30, 1996, for persons not entitled to a premium reduction under s. 619.165, Stats., is as follows:

MAJOR MEDICAL PLAN - Males

<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$1,572	\$1,416	\$1,272
19-24	1,572	1,416	1,272
25-29	1,608	1,452	1,284
30-34	1,836	1,656	1,464
35-39	1,944	1,752	1,560
40-44	2,364	2,136	1,896
45-49	2,928	2,628	2,340
50-54	3,732	3,360	2,988
55-59	4,776	4,308	3,816
60-64	5,712	5,148	4,572

MAJOR MEDICAL PLAN - Females

<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$1,572	\$1,416	\$1,272
19-24	2,232	2,004	1,788
25-29	2,304	2,064	1,836
30-34	2,520	2,268	2,016
35-39	2,628	2,376	2,112
40-44	2,880	2,604	2,316
45-49	3,312	2,988	2,652
50-54	3,792	3,408	3,036
55-59	4,296	3,876	3,444
60-64	4,956	4,464	3,960

MEDICARE PLAN - Males

<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$1,140	\$1,140	\$1,020
19-24	1,140	1,140	1,020
25-29	1,140	1,140	1,020
30-34	1,140	1,140	1,020
35-39	1,140	1,140	1,020
40-44	1,188	1,140	1,020
45-49	1,464	1,320	1,176
50-54	1,872	1,680	1,500
55-59	2,388	2,160	1,908
60-64	2,856	2,580	2,292

MEDICARE PLAN - Females

<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$1,140	\$1,140	\$1,020
19-24	1,140	1,140	1,020
25-29	1,152	1,140	1,020
30-34	1,260	1,140	1,020
35-39	1,320	1,188	1,056
40-44	1,440	1,308	1,164
45-49	1,656	1,500	1,332
50-54	1,896	1,704	1,524
55-59	2,148	1,944	1,728
60-64	2,484	2,232	1,980

(bg) 1. The annual rates applicable to standard risks under individual policies providing substantially the same coverage and deductibles as the plan's major medical plan for the period from July 1, 1995, to June 30, 1996, are as follows:

MAJOR MEDICAL PLAN - Males  
(Base for Reduced Rates)

<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$ 864	\$ 780	\$ 696
19-24	864	780	696
25-29	888	804	708
30-34	1,008	912	804
35-39	1,104	996	888
40-44	1,320	1,188	1,056
45-49	1,632	1,464	1,308
50-54	2,136	1,920	1,704
55-59	2,820	2,544	2,256
60-64	3,444	3,096	2,760

MAJOR MEDICAL PLAN - Females  
(Base for Reduced Rates)

<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$ 864	\$ 780	\$ 696
19-24	1,224	1,104	984
25-29	1,296	1,164	1,032
30-34	1,392	1,248	1,116
35-39	1,500	1,356	1,200
40-44	1,584	1,428	1,272
45-49	1,836	1,656	1,464
50-54	2,112	1,896	1,692
55-59	2,400	2,160	1,920
60-64	2,868	2,580	2,292

2. The annual rates applicable to standard risks under individual policies providing substantially the same coverage and deductibles as the plan's medicare plan for the period from July 1, 1995, to June 30, 1996, are as follows:

MEDICARE PLAN - Males  
(Base for Reduced Rates)

<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$ 432	\$ 384	\$ 348
19-24	432	384	348
25-29	444	396	360
30-34	504	456	408
35-39	552	492	444
40-44	660	600	528
45-49	816	732	648
50-54	1,068	960	852
55-59	1,404	1,260	1,128
60-64	1,716	1,548	1,368

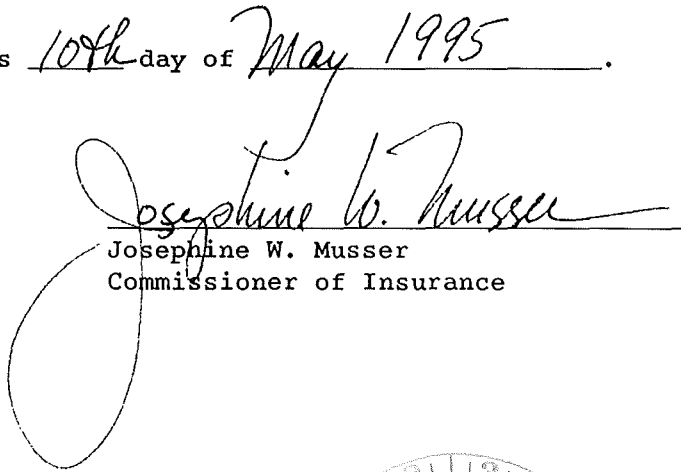
MEDICARE PLAN - Females  
(Base for Reduced Rates)

<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$ 432	\$ 384	\$ 348
19-24	612	552	492
25-29	648	588	516
30-34	696	624	552
35-39	744	672	600
40-44	792	708	636
45-49	924	828	744
50-54	1,056	948	840
55-59	1,200	1,080	960
60-64	1,440	1,296	1,152

SECTION 4. INITIAL APPLICABILITY. Section Ins 18.07 (5) (b) and (bg) 1 and 2, as affected by this rule, first applies to any health insurance risk-sharing plan policy issued or renewed after June 30, 1995.

SECTION 5. EFFECTIVE DATE. This rule will take effect on the first day of the first month beginning after publication, as provided in s. 227.22 (2) (intro.), Stats.

Dated at Madison, Wisconsin, this 10<sup>th</sup> day of May 1995.

  
Josephine W. Musser  
Commissioner of Insurance

