



**ASSEMBLY AMENDMENT 2,  
TO ASSEMBLY SUBSTITUTE AMENDMENT 2,  
TO 1995 ASSEMBLY BILL 545**

February 1, 1996 – Offered by Representatives HARS DORF, URBAN, ZIEGELBAUER and UNDERHEIM.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 1, line 6: after the 2nd “coverage” insert: “, an exemption from small  
3 employer health insurance rate regulation”.

4 **2.** Page 8, line 22: after that line insert:

5 “**SECTION 10m.** 635.05 of the statutes is renumbered 635.05 (1), and 635.05 (1)  
6 (b) 2. and (c), as renumbered, are amended to read:

7 635.05 (1) (b) 2. The percentage increase in the premium rate for a new rating  
8 period for a policy issued before August 15, 1991, does not exceed the sum of ~~par. (a)~~  
9 ~~1. and 3.~~ subd. 1. a. and c., unless premium rates are in compliance with the rules  
10 promulgated under ~~sub. (1) par. (a).~~

11 (c) Requiring the premium rate of a policy issued before August 15, 1991, to  
12 comply with the rules promulgated under ~~sub. (1) par. (a)~~ no later than 3 years after  
13 August 15, 1991.

14 **SECTION 10p.** 635.05 (2) of the statutes is created to read:

1           635.05 (2) Notwithstanding s. 635.15, sub. (1) does not apply to a small  
 2 employer insurer with respect to a health benefit issued to a small employer if all of  
 3 the following apply:

4           (a) The small employer has established a medical savings account for an  
 5 eligible employe under s. 632.898.

6           (b) The health benefit plan issued to the small employer by the small employer  
 7 insurer is not a high cost-share health plan, as defined in s. 632.898 (1) (c).

8           (c) The commissioner determines that it is necessary to exempt the health  
 9 benefit plan under par. (b) from the rate provisions of sub. (1) because of high claims  
 10 experience under the health benefit plan.

11           **SECTION 10r.** 635.15 of the statutes is amended to read:

12           **635.15 Temporary suspension of rate regulation.** The commissioner may  
 13 suspend the operation of all or any part of s. 635.05 (1) with respect to one or more  
 14 small employers for one or more rating periods upon the written request of a small  
 15 employer insurer and a finding by the commissioner that the suspension is necessary  
 16 in light of the financial condition of the small employer insurer or that the suspension  
 17 would enhance the efficiency and fairness of the small employer health insurance  
 18 market.”.

19           **3.** Page 8, line 25: delete “and 632.898” and substitute: “, 632.898 and 635.15”.

20           **4.** Page 9, line 1: delete “and the creation of section” and substitute: “, the  
 21 renumbering and amendment of section 635.05 of the statutes and the creation of  
 22 sections”.

23           **5.** Page 9, line 2: after “(b)” insert “and 635.05 (2)”.

24                           (END)