

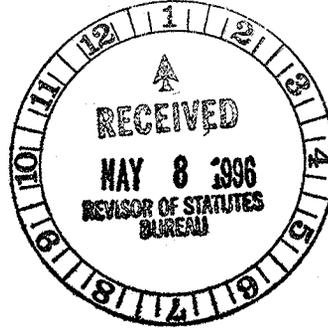
Clearinghouse Rule 96-011



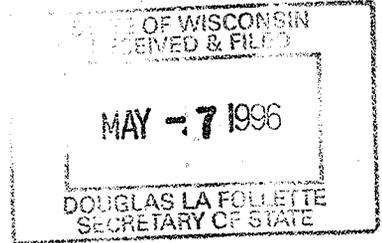
State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson  
Governor

Josephine W. Musser  
Commissioner



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STATE OF WISCONSIN  
OFFICE OF THE COMMISSIONER OF INSURANCE

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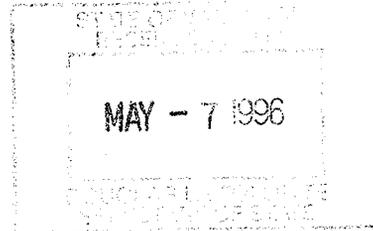
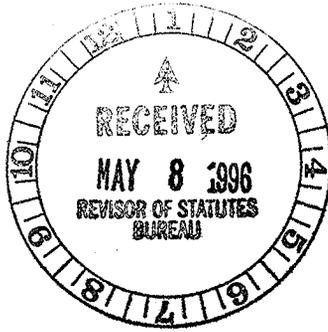
I, Josephine W. Musser, Commissioner of Insurance and custodian of the official records, certify that the annexed rule affecting Section Ins 18.07 (5) (b) (bg), Wis. Adm. Code, relating to 1996-97 premium rates for the health insurance risk-sharing plan, is duly approved and adopted by this Office on May 6, 1996.

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 original, and the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 121 East Wilson Street, Madison, Wisconsin, on May 6, 1996.

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

7-1-96  
96-011



ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

REPEALING AND RECREATING A RULE

To repeal and recreate s. Ins 18.07 (5) (b) and (bg) 1 and 2 relating to 1996-97 premium rates for the health insurance risk-sharing plan.

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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.

1996-97 Premiums

The Commissioner of Insurance, based on the recommendation of the Health Insurance Risk-Sharing Plan ("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, 1996, 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 28%.

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, 1996, for use in calculating the reduced premiums. The increases average 4.9%.

SECTION 1. 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, 1996, to June 30, 1997, 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>
0-24	\$1,860	\$1,680	\$1,488
25-29	1,908	1,716	1,524
30-34	2,184	1,968	1,752
35-39	2,424	2,184	1,944
40-44	2,928	2,640	2,340
45-49	3,636	3,276	2,904
50-54	4,764	4,284	3,816
55-59	6,228	5,604	4,980
60-64	7,596	6,840	6,072

MAJOR MEDICAL PLAN - Females

<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$1,860	\$1,680	\$1,488
19-24	2,724	2,448	2,184
25-29	2,892	2,604	2,316
30-34	3,120	2,808	2,496
35-39	3,360	3,024	2,688
40-44	3,624	3,264	2,904
45-49	4,164	3,744	3,336
50-54	4,788	4,308	3,828
55-59	5,448	4,908	4,356
60-64	6,456	5,808	5,160

MEDICARE PLAN - Males

<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-24	\$1,140	\$1,140	\$1,020
25-29	1,140	1,140	1,020
30-34	1,140	1,140	1,020
35-39	1,260	1,140	1,020
40-44	1,524	1,368	1,212
45-49	1,884	1,704	1,512
50-54	2,472	2,220	1,980
55-59	3,228	2,904	2,580
60-64	3,948	3,552	3,156

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	1,428	1,284	1,140
25-29	1,512	1,368	1,212
30-34	1,632	1,476	1,308
35-39	1,752	1,572	1,404
40-44	1,884	1,704	1,512
45-49	2,160	1,944	1,728
50-54	2,484	2,244	1,992
55-59	2,820	2,544	2,256
60-64	3,348	3,012	2,676

(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, 1996, to June 30, 1997, 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>
0-24	\$ 876	\$ 792	\$ 696
25-29	900	816	720
30-34	1,020	924	816
35-39	1,140	1,032	912
40-44	1,380	1,248	1,104
45-49	1,704	1,536	1,368
50-54	2,232	2,004	1,788
55-59	2,916	2,628	2,328
60-64	3,564	3,204	2,856

MAJOR MEDICAL PLAN - Females  
(Base for Reduced Rates)

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<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$ 876	\$ 792	\$ 696
19-24	1,296	1,164	1,032
25-29	1,368	1,236	1,092
30-34	1,476	1,332	1,176
35-39	1,584	1,428	1,272
40-44	1,704	1,536	1,368
45-49	1,956	1,764	1,560
50-54	2,244	2,016	1,800
55-59	2,556	2,304	2,040
60-64	3,036	2,736	2,424

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, 1996, to June 30, 1997, are as follows:

MEDICARE PLAN - Males  
(Base for Reduced Rates)

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<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-24	\$ 456	\$ 408	\$ 360
25-29	468	420	372
30-34	540	492	432
35-39	600	540	480
40-44	720	648	576
45-49	888	804	708
50-54	1,164	1,044	936
55-59	1,524	1,368	1,224
60-64	1,860	1,680	1,488

MEDICARE PLAN - Females  
(Base for Reduced Rates)

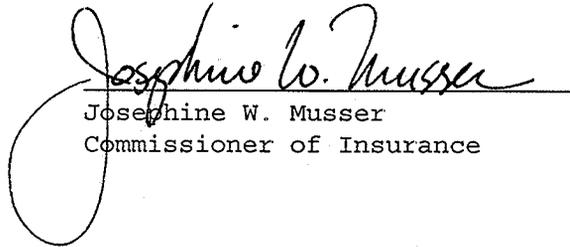
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<u>AGE</u>	<u>ZONE 1</u>	<u>ZONE 2</u>	<u>ZONE 3</u>
0-18	\$ 456	\$ 408	\$ 360
19-24	684	612	552
25-29	720	648	576
30-34	768	696	612
35-39	828	744	660
40-44	888	804	708
45-49	1,020	924	816
50-54	1,176	1,056	936
55-59	1,332	1,200	1,068
60-64	1,584	1,428	1,272

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, 1996.

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 6 day of May 1996

  
Josephine W. Musser  
Commissioner of Insurance