
By: **Delegate Donoghue**

Introduced and read first time: February 2, 2001

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Small Group Health Insurance - Premium Rates for Health Benefit Plans**

3 FOR the purpose of authorizing insurance carriers to offer a discount in rates for
4 health benefit plans based on reduced claim expenses under certain
5 circumstances; requiring the discount in rates to be supported by actuarial
6 principles and approved by the Insurance Commissioner; and generally relating
7 to premium rates for health benefits plans under small group health insurance.

8 BY repealing and reenacting, with amendments,
9 Article - Insurance
10 Section 15-1205
11 Annotated Code of Maryland
12 (1997 Volume and 2000 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Insurance**

16 15-1205.

17 (a) (1) In establishing a community rate for a health benefit plan, a carrier
18 shall use a rating methodology that is based on the experience of all risks covered by
19 that health benefit plan without regard to health status or occupation or any other
20 factor not specifically authorized under this subsection.

21 (2) A carrier may adjust the community rate only for:

22 (i) age; and

23 (ii) geography based on the following contiguous areas of the State:

24 1. the Baltimore metropolitan area;

25 2. the District of Columbia metropolitan area;

