

State Corporation Commission

2014 Fiscal Impact Statement

1. Bill Number: HB1176

House of Origin ☐ Introduced ☒ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Ware

3. Committee: Commerce and Labor

4. Title: Health insurance; notice of increase in premium or deductible.

5. Summary: Health insurance; notice of increase in premium or deductible. Requires health insurers, including health maintenance organizations and corporations providing accident and sickness subscription contracts, to provide written notice of intent to increase the annual premium or deductible not less than 75 days prior to the proposed renewal of coverage. The measure applies to individual policies, contracts, and plans. Currently, notices of premium increases are required to be given when a premium increase exceeds 35 percent, and the notices are required to be given at least 60 days prior to the proposed renewal. Defines deductible as meaning the annual dollar amount of a covered item or service that the insured, subscriber, or enrollee is obligated to pay before benefits are payable under the policy, contract, or plan. Subsection B of § 38.2-3407.14 requires written notice of intent to increase the annual premium or any deductible with the proposed renewal. Subsection D of § 38.2-3407.14 allows the State Corporation Commission Bureau of Insurance to adjust the deadlines for notices in the event of delays in product/rate approvals because of filing requirements established by the U.S. Department of Health and Human Services.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission and the Commission's Bureau of Insurance

10. Technical amendment necessary: The State Corporation Commission Bureau of Insurance has offered a technical amendment to the patron of House Bill 1176.

11. Other comments: None

Date: 02/25/14/V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources