

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: Passed Both Houses

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

5. Summary: Health insurance; notice of increase in premium or deductible. Amends Subsection B of § 38.2-3407.14 to require written notice of intent to increase the annual premium or any deductible with the proposed renewal. Subsection B also 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 C of § 38.2-3407.14 increases the written notice requirement from 60 days to 75 days with policy, contract or plan year renewals for individual health insurance policies, contracts or plans beginning on or after January 1, 2015. 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: No

11. Other comments: The March 3, 2014 amendment in the nature of a substitute to House Bill 1176 contains amendments which clarify that the provisions of the bill which require written notice in the event of a premium increase or an increase in deductible apply to individual health insurance policies, contracts or plans effective with policy, contract or plan year renewals beginning on or after January 1, 2015.

Date: 03/06/14/V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources