

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2500

DATE: March 8, 2006

Version: As introduced

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Subject: Loss ratios in the individual health insurance market

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This bill permits health insurers to use a policy form and the premiums rates to be used with it in the individual market upon filing with the insurer's regulator (Commissioner of Commerce for for-profit insurers and Commissioner of Health for HMOs and Blue Cross) a "loss ratio guarantee" and supporting documents. The guarantee is the insurer's guarantee that the premium rates, when used with that policy form, will yield a loss ratio of at least 65 percent. A loss ratio is in general terms the percentage of premium dollars paid out in claims to policyholders, usually with certain adjustments.