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Overview

This bill would permit sale to Minnesota residents of health plans approved for sale in another state if the health plans comply with Minnesota law and the insurer is licensed in Minnesota.

Section

- 1 Citation and purpose.** Says this new chapter of law may be cited as the Interstate Health Insurance Competition Act.
- 2 Definitions.** Defines ten terms used in this bill.
- 3 Out-of-state health plans to Minnesota residents.** Permits sale of an out-of-state health plan to Minnesota residents if the plan complies with MN laws that apply to the type of health plan, the form used for the health plan has received prior approval in MN, the insurer has authority to sell health plans in MN, and the insurer participates in the MN Life and Health Insurance Guaranty Association (which steps in to pay unpaid claims of insurers who become insolvent). Provides that Minnesota's "file-and-use" law on health insurance premium rates does not apply to the out-of-state health plans. ("File-and-use" means that a premium rate can be charged immediately after filing the rate with the commissioner, without waiting for the commissioner to approve or disapprove the premium rate.) Permits an out-of-state insurer to be either for-profit or nonprofit.
- 4 Certificate of authority to offer out-of-state health plans.**
 - Subd. 1. Issuance of certificate.** Permits an out-of-state insurer to apply for a certificate of authority to sell out-of-state health plans in MN. Says the commissioner must issue the certificate unless the commissioner determines that the insurer will provide health plans that do not comply with this chapter, is in a hazardous financial condition, or has not adopted procedures to ensure confidentiality of its records.

Subd. 2. Validity. Makes a certificate of authority good for three years.

Subd. 3. Rulemaking authority. Gives the commissioner authority to adopt rules relating to renewals and fees charged for the certificate of authority.

Subd. 4. Applicability of certain statutory requirements. Requires out-of-state insurers to comply with MN laws prohibiting unfair trade practices, the financial solvency requirements specified in MN law to the extent applicable, MN laws regarding taxes and assessments (including the MCHA assessment and insurance premium taxes), and requirements for obtaining a certificate of authority.

- 5 Revocation of certificate of authority; marketing materials.** Permits the commissioner to deny, revoke, or suspend the certificate of authority of an out-of-state insurer for a violation of this chapter. Requires the commissioner to develop fair marketing standards for out-of-state insurers, consistent with those for domestic insurers. Requires that standards and procedures not discriminate against out-of-state insurers.
- 6 Rules.** Requires the commissioner to adopt rules to achieve the purpose of this chapter. Requires that the rules not require an out-of-state insurer to violate its home state rules, not treat out-of-state insurers more stringently, or require an out-of-state health plan to be countersigned by an insurance agent or broker residing in MN.