SYNOPSIS
Expands rate review process in DOBI for certain individual and small employer health benefits plans.

CURRENT VERSION OF TEXT
As reported by the Assembly Financial Institutions and Insurance Committee on June 6, 2019, with amendments.

(Sponsorship Updated As Of: 1/14/2020)
AN ACT concerning certain health insurance rate increases and supplementing Title 17B of the New Jersey Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. In addition to any other applicable laws or regulations, a carrier that seeks a rate increase as part of an informational filing for an individual or small employer health benefits plan shall comply with all of the provisions of this act. The Department of Banking and Insurance shall review informational filings that are subject to this act in the manner set forth in the provisions of this act.

2. a. An informational rate filing by a carrier for an individual or small employer health benefits plan offered in this State shall contain information to support and justify rate requests. A rate increase shall be subject to expanded review by the department pursuant to the provisions of this act if the informational rate filing requests a rate increase of 10 percent or more annually.
   b. A rate increase meets or exceeds 10 percent annually if the average increase for all enrollees weighted by premium volume for any plan within the product meets or exceeds the 10 percent threshold.
   c. With respect to small employer plans, rate increases submitted on a quarterly basis shall be considered both for each specific quarter and in combination with any previous quarterly rate increase or increases applicable to the same calendar year when determining whether the rate increase meets or exceeds the 10 percent threshold for expanded review.
   d. For the purposes of this act, “informational filing” means a submission, by a carrier to the department, of rate-filings which specify the plans offered, premium rates, all factors to be used in the calculation of premium rates, and a detailed actuarial memorandum supporting the calculation of the rates including a certification by a qualified member of the American Academy of Actuaries, the Society of Actuaries, or the Casualty Actuarial Society, all supporting data for the premium rates and such other information as required by the department.

3. a. If the department determines that a carrier’s requested rate increase exceeds the 10 percent threshold for expanded rate review set forth in section 2 of this act, the department shall require the carrier to submit to the department, in addition to any other

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
\(^1\)Assembly AFI committee amendments adopted June 6, 2019.
information required to be filed, a written description justifying the
rate increase that complies with all of the provisions of this section.
b. The carrier shall include in its written description all
information prescribed by the department, including:
(1) a simple and brief narrative describing the data and
assumptions that were used to develop the rate increase;
(2) an explanation of the most significant factors causing the
rate increase, including a brief description of the relevant claims
and non-claims expense increases reported in the rate increase
summary;
(3) a brief description of the overall experience of the plan,
including historical and projected expenses, and loss ratios; and
(4) an actuarial memorandum that contains the reasoning and
assumptions supporting the data.
c. (1) Upon completion of the department’s review of the rate
filing, the department shall promptly make available to the public a
consumer-friendly version of the written description justifying the
rate increase as provided by the carrier, excluding information that
is a trade secret or that is confidential commercial or financial
information.
(2) The department shall include on its website, along with each
written description posted on the website, information that explains:
(a) the purpose and role of the expanded rate review process; and
(b) how the public can submit comments to the department on
the written description justifying the rate increase.

4. a. Any information filed with the department pursuant to
this act may be disclosed in accordance with P.L.1963, c.73
(C.47:1A-1 et seq.), except that confidential information shall not
be disclosed by the department to any person other than employees
and representatives of the department.
b. A carrier shall separately identify any confidential
information filed with the department pursuant to this act. Any
information that is not identified as confidential information shall
be considered public information and subject to disclosure.
c. As used in this section, “confidential information” means
information contained in an actuarial memorandum filed with the
department pursuant to this act that has been certified by the actuary
preparing the memorandum as confidential or proprietary
information.¹

¹[4.] 5.¹ This act shall take effect immediately.