

[First Reprint]

**ASSEMBLY, No. 5500**

**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

INTRODUCED JUNE 6, 2019

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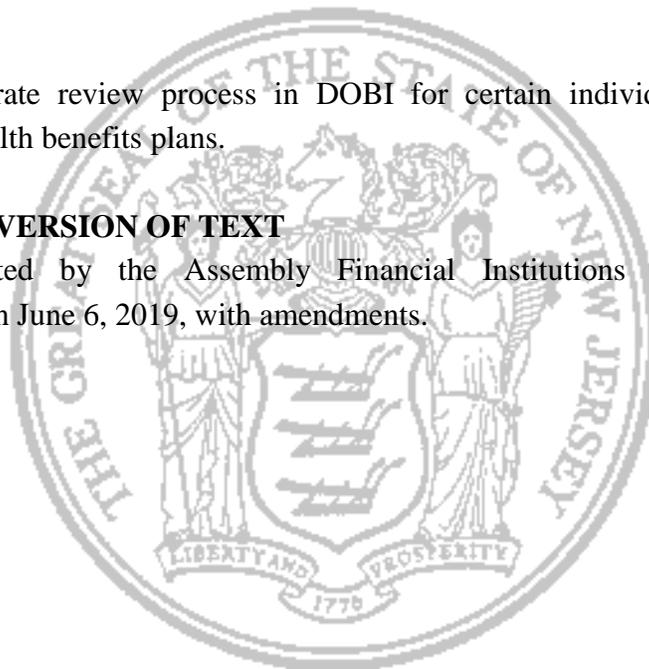
**Assemblyman Caputo**

**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)**

1 AN ACT concerning certain health insurance rate increases and  
2 supplementing Title 17B of the New Jersey Statutes.

3

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

6

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

14

15 2. a. An informational rate filing by a carrier for an individual  
16 or small employer health benefits plan offered in this State shall  
17 contain information to support and justify rate requests. A rate  
18 increase shall be subject to expanded review by the department  
19 pursuant to the provisions of this act if the informational rate filing  
20 requests a rate increase of 10 percent or more annually.

21

22 b. A rate increase meets or exceeds 10 percent annually if the  
23 average increase for all enrollees weighted by premium volume for  
24 any plan within the product meets or exceeds the 10 percent  
25 threshold.

26

27 c. With respect to small employer plans, rate increases  
28 submitted on a quarterly basis shall be considered both for each  
29 specific quarter and in combination with any previous quarterly rate  
30 increase or increases applicable to the same calendar year when  
31 determining whether the rate increase meets or exceeds the 10  
32 percent threshold for expanded review.

33

34 d. For the purposes of this act, “informational filing” means a  
35 submission, by a carrier to the department, of rate-filings which  
36 specify the plans offered, premium rates, all factors to be used in  
37 the calculation of premium rates, and a detailed actuarial  
38 memorandum supporting the calculation of the rates including a  
39 certification by a qualified member of the American Academy of  
40 Actuaries, the Society of Actuaries, or the Casualty Actuarial  
41 Society, all supporting data for the premium rates and such other  
42 information as required by the department.

43

44 3. a. If the department determines that a carrier’s requested  
45 rate increase exceeds the 10 percent threshold for expanded rate  
46 review set forth in section 2 of this act, the department shall require  
47 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:

<sup>1</sup>Assembly AFI committee amendments adopted June 6, 2019.

1 information required to be filed, a written description justifying the  
2 rate increase that complies with all of the provisions of this section.

3 b. The carrier shall include in its written description all  
4 information prescribed by the department, including:

5 (1) a simple and brief narrative describing the data and  
6 assumptions that were used to develop the rate increase;

7 (2) an explanation of the most significant factors causing the  
8 rate increase, including a brief description of the relevant claims  
9 and non-claims expense increases reported in the rate increase  
10 summary;

11 (3) a brief description of the overall experience of the plan,  
12 including historical and projected expenses, and loss ratios; and

13 (4) an actuarial memorandum that contains the reasoning and  
14 assumptions supporting the data.

15 c. (1) Upon completion of the department's review of the rate  
16 filing, the department shall promptly make available to the public a  
17 consumer-friendly version of the written description justifying the  
18 rate increase as provided by the carrier, excluding information that  
19 is a trade secret or that is confidential commercial or financial  
20 information.

21 (2) The department shall include on its website, along with each  
22 written description posted on the website, information that explains:

23 (a) the purpose and role of the expanded rate review process;  
24 and

25 (b) how the public can submit comments to the department on  
26 the written description justifying the rate increase.

27

28 <sup>1</sup>4. a. Any information filed with the department pursuant to  
29 this act may be disclosed in accordance with P.L.1963, c.73  
30 (C.47:1A-1 et seq.), except that confidential information shall not  
31 be disclosed by the department to any person other than employees  
32 and representatives of the department.

33 b. A carrier shall separately identify any confidential  
34 information filed with the department pursuant to this act. Any  
35 information that is not identified as confidential information shall  
36 be considered public information and subject to disclosure.

37 c. As used in this section, "confidential information" means  
38 information contained in an actuarial memorandum filed with the  
39 department pursuant to this act that has been certified by the actuary  
40 preparing the memorandum as confidential or proprietary  
41 information.<sup>1</sup>

42

43 <sup>1</sup>[4.] 5.<sup>1</sup> This act shall take effect immediately.