

SUMMARY OF STATE INDIVIDUAL HEALTH INSURANCE POLICY RENEWAL LAWS

The chart describes state-level laws with respect to individual major medical health insurance policy renewals. The first column denotes a statutory cap on rate renewals, the second denotes rate filing requirements, and the third denotes Department of Insurance oversight.

State	Caps on Rate Renewals	Filing Requirements	Department Monitoring
Alabama	No	No rate filing requirements.	Carriers are not required to file rates with the Department. If a carrier chooses to file, the rate is reviewed. Rates that the Department questions are followed up by contact with the carrier. Individuals who have complaints regarding rate increases can contact the Department, upon which a request for actuarial data justifying the increase will be made with the carrier. ¹
Alaska	No	No rate filing requirements. Policies must be filed.	If a rate is determined to be excessive by a consumer, a request for a market conduct examination can be made. ²
Arizona	No	File and use	Does not monitor but consumers can file a complaint with the Consumer Affairs division if a rate appears unjust.
Arkansas	No	File and approve	Department does not monitor rates.
California	No	File and use	Department monitors rates through filing process.
Colorado	No ³	File and use	Department does not monitor rates.

¹ Currently the Alabama Department has no authority over rate increases within the individual market for major medical policies. They will be working over the next few years to implement clarification to Regulation 24, the regulation that covers this market.

² Alaska has an unwritten rule that rates should be neither excessive nor inadequate.

³ Carriers must provide specific data to justify a premium increase.

State	Caps on Rate Renewals	Filing Requirements	Department Monitoring
Connecticut	No	File and approve	An actuary reviews rates and either approved, disapproved or approved at a lower increase. The Department monitors rate through this process.
Delaware	No ⁴	File and use	Department monitors rates through filing process and has authority to change rates if deemed excessive. Insurers can begin using after 30 days and Department has 45 days to take action.
Florida	No	Prior approval required.	Department does not monitor rates.
Georgia	No	File only	Department does not monitor rates.
Hawaii	No	File and approve ⁵	Department does not specifically monitor rates but has the authority to disapprove of a rate that is determined to be excessive.
Idaho	Yes. Idaho allows a carrier to increase premiums based on the change in new business rate, a change in demographics such as age or address, and up to 15% for health status.	File and use	The Department does not specifically monitor rates within the individual market.
Illinois	No	File only	Department does not monitor rates.
Indiana	No ⁶	File and approve	Department does not specifically monitor rates but through the process they are examined.

⁴ No specific cap but insurers are required to submit loss ratio information and rates must fall within provisions of statute.

⁵ New legislation was passed and took effect January 1, 2003 that provides the Department with some authority over rate regulations in the state. The statute does not distinguish between individual and group health plans nor does it distinguish between carrier and managed care organization. According to 431:14F rates must be filed and the Commissioner has the authority to disapprove a rate that is deemed excessive or inappropriate. No specified standards or loss ratio formula is specified.

⁶ All rates are reviewed individually and carriers must provide justification for an increase.

State	Caps on Rate Renewals	Filing Requirements	Department Monitoring
Iowa	No specific caps. Iowa places restrictions on the differential between blocks of business. ⁷	Individual carriers must request approval of all rate increase requests. Rates are approved or disapproved and the review focuses on lifetime and future loss ratio tests.	Through the rate change process the Department keeps track of changes and rate trends within the market.
Kansas	No	File and use ⁸	Department does not monitor rates.
Kentucky	Kentucky uses a formula rather than a specific cap. Rates can be increased based on the change in new business rate, changes in case characteristics, and up to 20% for health reasons or duration of coverage.	File and approve ⁹	At this point rates are not specifically monitored but if carriers choose to file under the loss ratio criteria that may change in the future.
Louisiana	Yes, Louisiana has modified community rating and rates for premiums in the individual market cannot deviate by more than + or – 20 percent	File and use	Department does not specifically monitor rates. Rate filings must be accompanied by supportive documentation.
Maine	No	File	Department does not specifically monitor rates but rates can be approved or disapproved if deemed necessary during the filing process.

⁷ Iowa outlines a specific format for the differentials with regard to the individual market. The rate differential between two policy forms must be no more than 2.028 to 1 at each age, which is the composite effect of 30%, 30%, and 20%. Subsequent rate changes must be within 15% of each other. Policies or certificates sold before April 1, 1996 are not subject to the 2:1 ratio and 15% block restrictions.

⁸ All rate increases must be justified and data submitted accordingly.

⁹ Kentucky requires rates to be filed. If the Department does not take action from 60 days of the date of filing, which is defined as the date all necessary information is submitted, then the rate is deemed approved. The Department has the authority to retroactively take action if necessary. Kentucky also allows a carrier to file under guaranteed loss ratio criteria, which is deemed approved on the date of filing if accompanied by a statement and demonstration that the rates will meet or exceed the minimum loss ratio requirement. The loss ratio requirement is 70% for policies issued to individuals.

State	Caps on Rate Renewals	Filing Requirements	Department Monitoring
Maryland	No ¹⁰	File and approve	The Department reviews all rate increases and while there is no cap, they may request additional actuarial information to support an increase from a carrier.
Massachusetts	No	File and approve ¹¹	Department examines rates through the rate filing process.
Michigan	No	Prior approval	Department does examine increases and if a percentage appears to be high, will examine further.
Minnesota	No	File and use ¹²	Department monitors rates through filing process and scrutiny by actuaries.
Mississippi	Rate increases limited to 25% in any one-policy year unless procedures developed by the Department to implement an increase of more than 25% are followed.	File and approve.	Through file and approve process rate trends are monitored by the Department. Actuarial data must be included in a filing for justification of a rate increase.
Missouri	No	Some carriers choose to file but it is not required.	Department has no regulatory authority over rates for major medical individual health insurance policies.
Montana	No	Department does not require filing of rates.	Department does not keep track of rate trends. Complaints would fall under the jurisdiction of 'unfair trade practices'.
Nebraska	No	File and use	Department monitors rates through the filing process. If a rate is filed and is too high, it is examined closely and a carrier may be asked to go back and reduce the rate.

¹⁰ No rate caps but minimum loss ratio requirements exist.

¹¹ Rates must be filed by May 1 for use after December 1. Rates must fall within the standard deviation.

¹² Minnesota requires detailed information when a proposed rate increase is submitted. Loss ratio is not deemed sufficient. If a rate is in use and excessive, a carrier must go back and reduce the rate. This process keeps most carriers from implementing excessive rates for renewals.

State	Caps on Rate Renewals	Filing Requirements	Department Monitoring
Nevada	No ¹³	Prior approval	The Department requires approval for rates before they are used and also requires all forms to be approved for use in the state.
New Hampshire	Yes ¹⁴	File and approve	The Department monitors rates via the filing process and the community rating formula used to determine rates. Excessive rates that are filed are prohibited from approval according to RSA 420 G: 4, C: d. The Department has the authority to request actuarial data from a carrier.
New Jersey	No	File and use ¹⁵	The Department monitors rates through the minimum loss ratio requirements.
New Mexico	No	Required to be filed prior to usage.	Department does not keep track of rate trends.
New York	No	Prior approval	Department monitors rates through the approval process.
North Carolina	No	Prior approval	Department monitors rates through the approval process.
North Dakota	Yes ¹⁶	Prior approval	Department monitors rates through prior approval process.
Ohio	No	Required to file and include actuarial data to justify rate increase.	Department monitors filings.
Oklahoma	No	No filing requirements	Department does not keep track of rate trends.
Oregon	No ¹⁷	File and approve	Department does keep track and all increase requests must include detailed actuarial data to justify the request.

¹³ Rates must be approved for use in Nevada though no caps are in place.

¹⁴ Ratings for individual policies are determined by using a modified community rating formula. The rate is guaranteed for 6 months. For individuals age 19 and older, the maximum differential due to health status is 1.5 to 1 and for tobacco use it is 1.5 to 1. Limitations based on health status are not applicable to rate variations based on an individual's status as a tobacco user.

¹⁵ There are no caps but carriers must meet minimum loss ratio requirements of 75%. If the requirements are not met, the carrier will be required to provide a refund.

¹⁶ Minimum loss ratio requirement of 65% and Department's regulatory authority is not clearly stated in statute for individual major medical policies.

¹⁷ No specific cap but rate must be guaranteed for 12 months upon renewal.

State	Caps on Rate Renewals	Filing Requirements	Department Monitoring
Pennsylvania	No	Required to file. ¹⁸	Department does not specifically monitor trends.
Rhode Island	No	File and approve	Department does not specifically monitor rate trends but the state is unique in that there is one carrier offering one plan in the individual market.
South Carolina	No	File and approve	Department reviews trends of the carrier, marketplace, and policies.
South Dakota	No	Prior approval	Department monitors overall trends affecting the marketplace and use the information when determining whether a rate increase is justified.
Tennessee	No	File and approve	Department monitors through file and approve process.
Texas	No ¹⁹	Required to file and include justification for the increase along with the expected effective date.	Department does not specifically monitor but rate increase over 50% are reviewed.
Utah	No cap but increases are limited to a change in case characteristics, a change in new business rates, and up to 15% for health status each year.	File and use	Department does not keep track of rate trends.
Vermont	Yes: Rate is capped at 20% ²⁰	File and approve and rates must be filed 60 days prior to expected use.	Through the file and approve process the Department monitors trends within the market.
Virginia	No ²¹	File and approve	Through the file and approve process the Department monitors trends.

¹⁸ Rates must be filed and if the Department fails to take action within 45 days after the request is received, it is deemed approved. The Department has the authority to go back and review each form individually.

¹⁹ No specific cap but if a rate increase is over 50% in any one given year the filing is sent to be reviewed by an actuary.

²⁰ Vermont has a specific structure for increases within the individual market. Vermont has a community rating structure. The percentage of change in the community rate for a new rating period and any additional adjustment cannot exceed 15% annually due to a deviation calculated for a new rating period.

²¹ No specific cap but there is a loss ratio requirement of ~55%.

State	Caps on Rate Renewals	Filing Requirements	Department Monitoring
Washington	No ²²	Required to file.	Department does not keep track of rate trends but the loss ratio requirements do not provide incentive for carriers to implement unjustified rate increases.
West Virginia	No	Prior approval	Department does not monitor rate trends.
Wisconsin	No	File and use	Department does not monitor rate trends.
Wyoming	No	File and use	Department does not monitor rate trends.

²² No specific cap but rates must be filed by May 31 of each year. A carrier must report the actual loss ratio amount. If the loss ratio is below 72% the money must be refunded to the state and is allocated to the state's high-risk pool. The loss ratio is 74% minus a 2% premium tax, which equals 72%.