

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 561

BY SENATOR FERNS

[Introduced February 10, 2016;

Referred to the Committee on Health and Human
Resources.]

1 A BILL to amend and reenact §33-16B-1, §33-16B-2 and §33-16B-4 of the Code of West Virginia,
2 1931, as amended, all relating to setting rates for accident and sickness insurance; setting
3 procedures for filing and approval of rates by the Insurance Commissioner; providing for
4 a mechanism to reduce rates based upon the amount of reserves maintained by the
5 insurer; setting forth timelines for approval of rates; allowing the Insurance Commissioner
6 to disapprove rates; requiring notice; setting out rate-making standards; and authorizing
7 rulemaking by the Insurance Commissioner.

Be it enacted by the Legislature of West Virginia:

1 That §33-16B-1, §33-16B-2 and §33-16B-4 of the Code of West Virginia, 1931, as
2 amended, be amended and reenacted, all to read as follows:

ARTICLE 16B. ACCIDENT AND SICKNESS RATES.

§33-16B-1. Filing and approval of accident and sickness rates.

1 (a) Premium rate charges for any individual or group accident and sickness insurance
2 policy, certificate or other evidence of insurance issued, endorsed or delivered in this state shall
3 be filed with the Commissioner. These rates are not effective for a ~~waiting period~~ of sixty days.
4 ~~before the charges become effective~~ At the expiration of sixty days the premium rate charges filed
5 are ~~deemed~~ considered approved unless prior thereto the charges have been affirmatively
6 approved or disapproved by the Commissioner.

7 (b) The Commissioner shall disapprove accident and health insurance premium rates
8 which are not in compliance with the requirements of this chapter or any rule promulgated by the
9 Commissioner pursuant to section two of this article. The Commissioner shall send written notice
10 of the disapproval to the insurer. The Commissioner may approve the premium rates before the
11 sixty-day period expires by giving written notice of approval.

12 (c) Every private not-for-profit insurance carrier operating in this state is required to file
13 with the commissioner by January 1 each year the total amount of reserves which they have as
14 of that date. The commissioner is required to annually ascertain the full amount of reserves which

15 the insurer maintains and by July 1 each year adjust the rates of any private not-for-profit
 16 insurance carrier operating in this state by one half of one percentage point for every \$5 million
 17 in reserves over a reserve amount of \$250 million.

§33-16B-2. Ratemaking standards.

1 Premium rates charged for any individual accident and health insurance policy or for any
 2 group accident and health insurance policy issued pursuant to this chapter shall be reasonable in
 3 relation to the benefits available under the policy. The commissioner shall ~~promulgate~~ propose
 4 for legislative promulgation rules pursuant to chapter twenty-nine-a to establish minimum
 5 ratemaking standards in accordance with accepted actuarial principles and practices, and may
 6 promulgate procedural rules or propose for legislative promulgation legislative rules pursuant to
 7 chapter twenty-nine-a to establish a procedure for adjustment of rates as set forth in subsection
 8 (c) of section one of this article.

**§33-16B-4. Authority of commissioner to promulgate rules ~~and regulations~~ regarding
 affiliate and subsidiary operating results.**

1 The commissioner may as he ~~deems~~ or she considers necessary after notice and hearing
 2 ~~promulgate~~ propose for legislative promulgation rules ~~and regulations~~ in accordance with chapter
 3 twenty-nine-a of this code to define the commissioner's authority to consider the operating results
 4 of an insurer's affiliates and subsidiaries in the rate making and solvency determination of that
 5 insurer.

NOTE: The purpose of this bill is to require an adjustment of rates charged by not-for-profit private insurance carriers operating in West Virginia based upon the amount of reserves maintained by the insurer.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.