

CHAPTER 167
GROUP INSURANCE CONTRACTS
H. F. 768

AN ACT requiring the commissioner of insurance to adopt rules relating to minimum standards for group medicare supplement contracts that are consistent with rules adopted with respect to individual medicare supplement contracts.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Chapter 509, Code 1981, is amended by adding the following new section:

NEW SECTION. RULES. The commissioner of insurance shall issue rules establishing minimum standards for group medicare supplement policies and minimum standards for benefits under coverages contained in group medicare supplement policies. These rules shall be consistent with those rules established for individual medicare supplement policies pursuant to chapter 514D. The commissioner also shall establish by rule reasonable and credible* anticipated minimum loss ratios for group medicare supplement policies. Rules issued by the commissioner shall give issuers of group medicare supplement policies a reasonable time to achieve compliance.

Sec. 2. Section 514D.4, subsection 5, Code 1981, is amended to read as follows:

5. The commissioner may upon notice and hearing at any time after the initial filing or approval of any individual accident and sickness policy or subscriber contract form, withdraw approval or suspend further sale of the form if the benefits provided are unreasonable in relation to the premium charge. The commissioner shall establish reasonable and creditable* anticipated minimum loss ratios for medicare supplement and other accident and sickness insurance policies. For purposes of establishing loss ratios, policies issued as a result of solicitations of individuals through the mails or by mass media advertising, including both print and broadcast advertising, shall be deemed to be individual policies, including any certificates issued under these policies.

Approved May 4, 1981

*According to enrolled Act